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# Experimental Sites
# Analysis of the Annual Reports
# **1996 – 1998**

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# EXECUTIVE SUMMARY
# SUMMARY OF EXPERIENCE WITH EXPERIMENTAL SITES INITIATIVE

## OVERVIEW

The Experimental Sites Initiative began with the Higher Education Act Amendments of 1992, as an effort by Congress and the Administration to provide statutory and/or regulatory relief for institutions to test innovative ways of administering student financial aid and to provide data to support broader policy initiatives. Interested institutions could submit proposals for experiments which include flexibility in procedures to carry out the intent of the statute and/or regulations, in exchange for providing annual reports to the Department regarding the effects of the experiments. An institution was selected to participate if its proposal was acceptable and if the institution passed a screening stage based on factors described later in the report. Institutions participating in this initiative are considered low risk for the Federal financial aid investment.

For academic year 1997-98, 164 institutions were approved to participate in one or more of fourteen experiments. By far the most popular were the exemptions from the requirements for multiple disbursement (129 approved to participate) and for a thirty-day delay of the initial loan disbursement (108 approved to participate). Other popular requests for exemption included the in-person borrower counseling at entrance and exit requirements, and loan proration for graduating students. In all cases, institutions agreed to conduct an experiment, involving a different method of administration (such as one-on-one counseling of high-risk students only rather than in-person counseling of all borrowers) and close monitoring of the effects of the experiment (such as an increase in students dropping out of school before term completion). Each school was then responsible for submitting an annual report on the effects of the experiment(s) in which it participated.

This report is based on a comprehensive review of the annual reports for schools participating in the Experimental Sites Initiative for 1996-97 and 1997-98. Because of the experimental nature of this initiative and the goal to reduce burden, there were no standard reporting requirements. Thus, the majority of experiments did not provide common information, thus making it difficult to aggregate across sites. In addition, cohort default rates were not yet available for the years applicable to borrowers who participated in these experiments. However, most participants did report qualitative information on the effects of the experiments, with some impressive success stories being identified by individual institutions. Following is a short summary of the results of the Experimental Sites Initiative. The remainder of the report contains a more detailed discussion of each of the approved experiments.

## PARTICIPATION BY INSTITUTIONS AND STUDENTS

Several of the experiments involved a large number of borrowers, including:

- More than 100,000 borrowers in 84 institutions that reported on student participation in the multiple disbursement experiment;
- Almost 100,000 borrowers in 70 institutions that reported on student participation in the 30-day delay experiment;
- More than 70,000 borrowers in 28 institutions that reported on student participation in the entrance loan counseling experiment; and
- More than 125,000 borrowers in 11 institutions that reported on student participation in the loan fees in cost of attendance experiment.

Some experiments had a small number of institutions participating, and three of the experiments were proposed and operated by a single institution.

**SUMMARY OF RESULTS**

The experiments have provided two major benefits—better service to borrowers and reduced administrative burden for institutions. Most participants reported positive effects of the experiment (s). Institutions most frequently mentioned administrative relief in the form of less time and fewer staff involved in administration as a primary benefit. Many also reported that their borrowers experienced short-term financial relief, particularly from the 30-day delay, multiple disbursement and loan proration experiments, which provided many borrowers with quicker and easier access to their loans.

Another indication of the success of the experiments has been the very small number of participants in 1996-97 who discontinued an experiment or participation in 1997-98.

Several of the experiments modified requirements designed to help minimize loans provided to students who withdraw from school. The great majority of institutions reporting on the potential risk factors of borrower withdrawal before mid-term and non-completion of the academic term for which the loan was awarded said there were no significant changes in these behaviors since the year before the experiment was implemented. Examining the data from institutions reporting on borrower withdrawal rates, those institutions reporting no significant change in borrower withdrawal rates or a decrease in those rates included:

- 29 of 33 institutions reported no significant increase or decrease in withdrawal rates in the *multiple disbursement experiment*;
- 30 of 31 institutions reported no significant increase or decrease in withdrawal rates in the *30-day delay experiment*; and
- 12 of 13 institutions reported no significant increase or decrease in withdrawal rates in the *loan proration experiment*.

Thus, for these participants, there is no evidence that the risk to the Federal investment has increased, while thousands of students were exempt from requirements that have been reported to be burdensome.

**CONCLUSION**

In general, the experiments provided administrative relief in the financial aid process to institutions. In addition, for most of these experiments, students also benefited, primarily from quicker access to loan funds. Institutions also monitored and reported on certain borrower behaviors to ensure that the potential for loan default did not increase. Thus, the experiments conducted to-date have provided administrative relief to institutions and benefits to students, with no reported additional risk to Federal dollars or the integrity of program administration.

## TABLE OF CONTENTS

## LIST OF TABLES

**Page**



## LIST OF FIGURES

## I. PURPOSE AND OVERVIEW OF THE REPORT

Under Section 490(b) (2) of the Higher Education Act of 1965, as amended in 1998, the U.S. Department of Education is required to report on the experience of higher education institutions that participated in the Experimental Sites Initiative. The statute further requires that the report include:

- a list of participating institutions and the specific statutory or regulatory waivers granted to each institution;
- the findings and conclusions reached regarding each of the experiments conducted; and
- recommendations for Amendments to improve and streamline this Act, based on the results of the experiment."

This report responds to the first two legislative requirements. It summarizes the reports of participants in the Experimental Sites Initiative during the 1997-98 academic year.

The Experimental Sites Initiative was authorized by the 1992 Amendments to the Higher Education Act. These Amendments gave the U.S. Department of Education authority to waive certain statutory and regulatory rules and procedures concerning the administration of federal funds for student financial assistance by institutions of higher education. It was widely recognized that certain of these provisions were intended to correct or prevent problems in financial aid administration that did not exist in all institutions. The experiments relate to a number of programs authorized under Title IV of the Higher Education Act, such as the Federal Family Education Loan Program, the William D. Ford Federal Direct Loan Program, Federal Pell Grant Program, and the Campus-Based Programs (Federal Perkins Loan Program, Federal Work-Study Program, and Federal Supplemental Education Opportunity Grant Program). These waivers became effective for most participating institutions in the 1996-97 academic year. As of August 1998, 164 postsecondary institutions had been approved to participate in 14 experiments[1]. In practice, a somewhat smaller number actually implemented the experiments.

More specifically, the Federal Supplemental Educational Opportunity Grant (FSEOG) experiment was not implemented during the 1997-98 academic year. It will not be implemented because the Higher Education Act Amendments of 1998 disallow waivers regarding award rules. Also, 17 of the 23 California community colleges did not implement the Ability to Benefit (ATB) experiment approved during the 1997-98 academic year. They used that time to prepare for experimentation.

The authority to implement the Experimental Sites Initiative was not used until the 1995-96 award year. Some institutions began implementation of one or more of their approved experiments late during the 1995-96 award year. However, most institutions used that time to develop the processes and systems necessary to begin implementation of the experiments during the 1996-97 award year.

This report covers the 126 institutions that submitted annual reports in the 1997-98 academic year as of December 23, 1998. The majority of these are four-year public institutions. To be precise, the group includes 96 four-year public schools, 22 four-year private ones, 7 two-year public schools, and 1 two-year private school. For purposes of comparison, the present report includes some data derived from the annual reports participants submitted for the 1996-97 academic year. The 1996-97 data were summarized in a previous Mathtech report (See "Experimental Sites: Analysis of the Annual Reports", prepared by Mathtech, Inc. in August 1998.)

It should be noted that the present report does not cover all the institutions that actually took part

[1] In October 1998, Congress passed a bill, H.R. 6, that amended certain provisions of the Higher Education Act of 1965. Section 422 of this bill allows any institution whose cohort default rate was less than 10% for each of the three most recent fiscal years to disburse student loan funds for a single term in a single disbursement, and it also exempts these schools from the 30-day delay requirement for disbursements to first-time, first-term borrowers. Thus, these provisions of the law allow institutions with default rates below the threshold level to have the same regulatory relief as those participating in the Multiple Disbursement and 30-Day Delay experiments under the Experimental Sites program.

in the Experimental Sites Initiative during 1997-98. As of December 23, 1998, some participants had not yet submitted their annual reports. Nevertheless, it can be stated with confidence that this report covers the great majority of participants during the 1997-98 program year, and it includes all the data that were available at the time it was prepared. These data were compiled and summarized using standard analytic procedures.

For each experiment, the Department of Education encouraged participants to submit annual reports containing certain information, as outlined in Appendix A of this report. For many of these data elements, it was also suggested that institutions submit data from a base year prior to implementation of the experiment. It is important to understand that not every data element was supplied by every institutional participant. Therefore, comparable quantitative data are limited. The reporting requirements are based on program participation agreements which are flexible and subject to varying interpretations. Thus, participants in an experiment did not necessarily submit the same information, or measure results consistently. In particular, base year data were often omitted. Because of gaps in the data provided, most of the data presented in this report are based on fewer institutions than actually took part in the experiments.

To provide a general overview of the 14 experiments, and to serve as a point of reference, we have provided graphic illustrations of the level of institutional and student participation for all of the experiments. Figure 1 illustrates the number of institutions approved to participate in each experiment, while Figure 2 shows the number of students involved in the experiments in those institutions that reported on student participation.

**Figure 1**

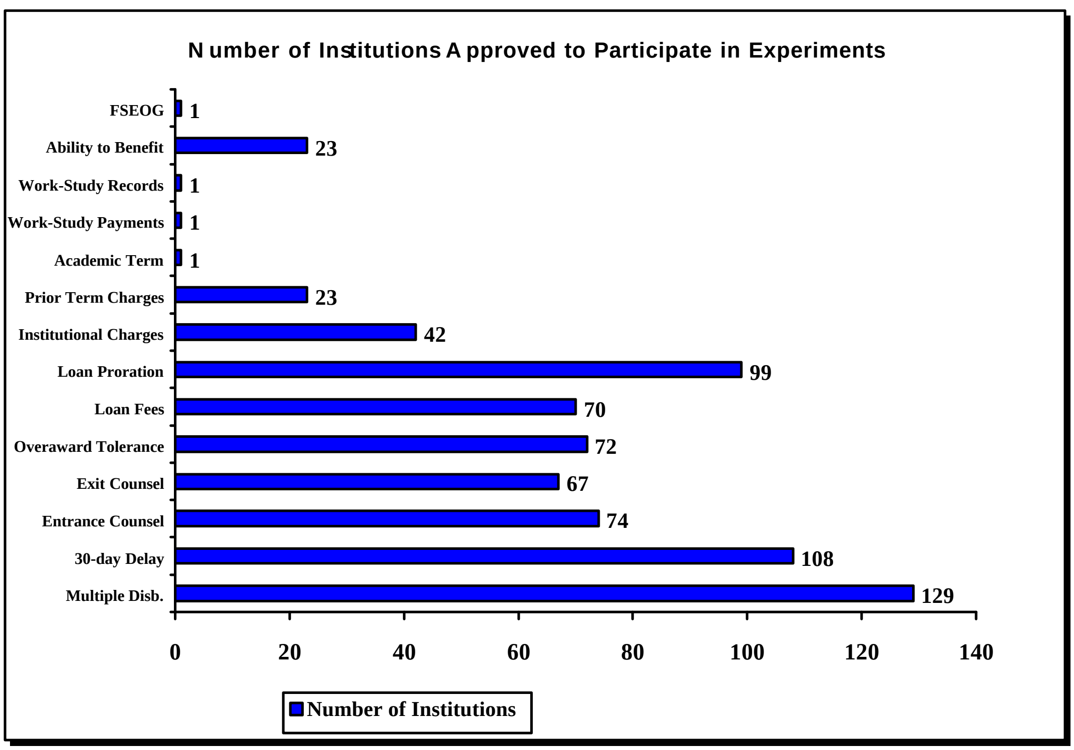
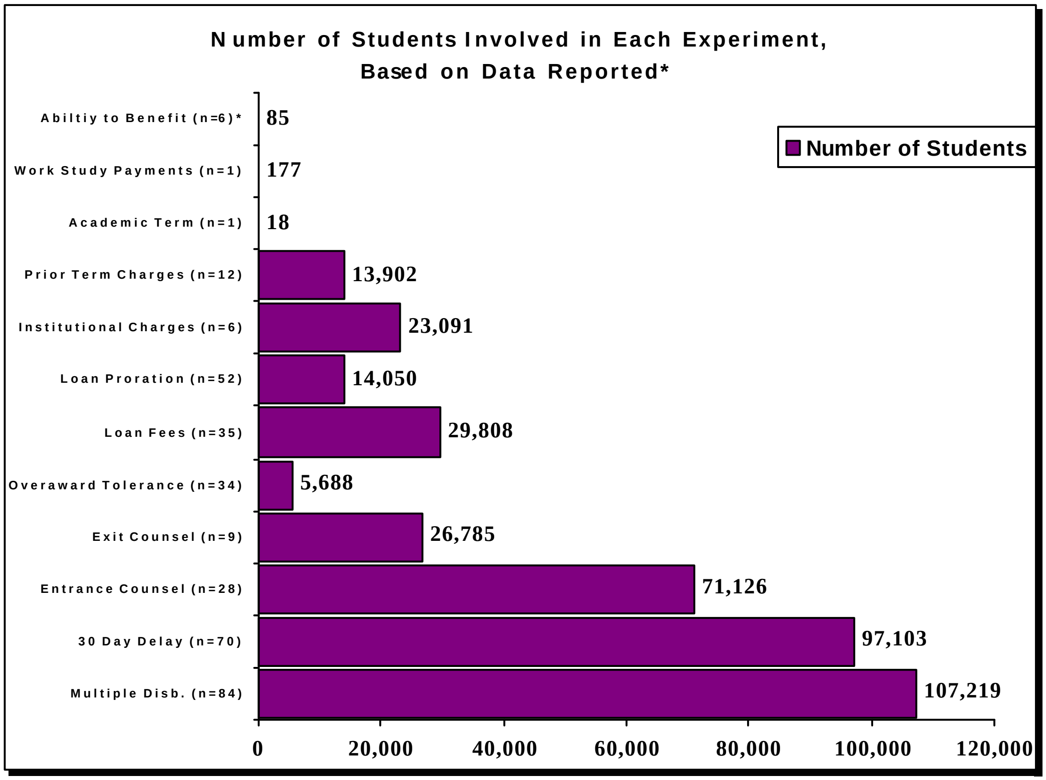


**Figure 2**




*Note: This understates the number of students involved in the experiments, since not all participating institutions reported on the number of students. The “n” represents the number of institutions reporting on student participation.

Some of the institutions submitting reports included certain information that allowed quantitative analysis. For example, some schools provided data allowing calculation of exact withdrawal and completion rates among experimental participants during both the base year and the experimental year. This meant that it was possible to compare the rates from one year to the next with great precision. To the extent that such quantitative information was provided, it has been included and analyzed in the report. However, the annual reports included a much greater proportion of information that was non-quantitative—for example, a school might state in general terms that withdrawal rates had not changed since the experiment was first implemented. Where available, these data are summarized to indicate how many schools reported either an increase, no significant change, or a decrease in a given indicator (such as withdrawal rate) from the base year to the experimental year.

## ORGANIZATION OF THIS REPORT

The rest of this report provides an assessment of each of the 14 experiments, including the goal of each, a description of the changes in institutional procedures that the experiment allows, and a summary of the benefits and potential negative consequences as reported by the participants. It addresses such topics as administrative benefits resulting from the experiments, the average number of affected students at participating institutions, and what the experiments have accomplished in terms of financial relief to students. For a few of the experiments, data are presented on withdrawal and completion rates among affected students.

There are three appendices to the report, as follows:

- Appendix A includes, for each of the 14 experiments, a list of the reporting requirements, a description of reporting that the Department of Education has encouraged but not required, and a reference to the statutory and regulatory provisions from which participants in the experiment have been exempted.

- Appendix B lists the institutional participants in the Experimental Sites Initiative alphabetically by geographic region. Next to each institution, we have indicated each of the experiment(s) in which that institution participated.

- Appendix C includes a list of the data elements collected for each of the 14 experiments. These are the data that were compiled and analyzed to produce the present report. As noted above, few or none of the institutions submitting data on a given experiment provided every one of these data elements.

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## II. DESCRIPTION OF THE EXPERIMENTS AND FINDINGS ON THEIR EFFECTS

In this section we provide a description of each experiment—its goal, and the effects reported by participating institutions. In Appendix A we provide a summary of the reporting requirements and the specific statutory and/or regulatory provisions from which participants are exempted. It is important to note that institutions were provided guidelines rather than mandates concerning what data they reported to illustrate the impact of the experiment and to ensure quality control on financial aid processes. For example, many institutions monitored student withdrawal rates as they disbursed loans in a single sum rather than two payments.

Because few institutions reported quantitative data for both a base year (year before implementing the experiment) and the current year, both qualitative and quantitative data are used to summarize the effects of each experiment. In making statements about experiment effects, we state the number of institutions participating, and the number reporting data. We also provide illustrative quotations from the annual reports concerning the effects of the experiments.

### MULTIPLE DISBURSEMENT FOR SINGLE TERM LOANS

***Highlights of Findings***

*The multiple disbursement experiment resulted in substantial administrative relief for institutions and reduced the need for borrowers to find stop-gap measures to pay for their education. Changes in mid-term withdrawal and completion rates from the base year for those institutions providing such data were insignificant. For 24 of 26 institutions, involving 28,810 borrowers, the mid-term withdrawal rates either decreased or showed no significant change (less than one percentage point) from the base to the experimental year. There is no evidence of additional risk to Federal financial aid dollars from this experiment.*

***Goal of the Experiment:***

To test a strategy for ensuring timely access to funds for financially needy students enrolled for a single term.

***Description of the Experiment:***

Before implementation of this experiment, institutions were required to disburse federal loan funds in more than one installment in the case of student borrowers enrolled for a single term. Most single-term borrowers are in their final semester of school. Typically the institution would make two disbursements to these students, so they would receive half their loan funds at the beginning of the semester and the rest at the midpoint. This was because research had shown that borrowers who dropped out of school were more likely to default on their student loan obligations. Disbursing the loan in two payments with one at the term midpoint resulted in one-half the loan debt for those who dropped out before the midpoint.

This multiple disbursement requirement did, however, impose a large administrative burden on the institutions. Therefore, some institutions with relatively low default rates argued that they should be exempt from this requirement. The multiple disbursement requirements also disadvantaged many students, who generally incurred their major expenses, such as tuition, books, and housing, as soon as the semester started. Thus, many of these borrowers had to request emergency loans or fee deferrals to tide them over until the time of the second disbursement.

The experiment allowed participating institutions to disburse federal loan funds to these borrowers in a single installment at the beginning of the term. The 1998 Amendments to the Higher Education Act also allow institutions that have cohort default rates[2] for the three most recent years of less than 10 percent, an automatic exemption from the multiple disbursement provision.

***Level of Institutional and Student Participation:***

One hundred and twenty-nine institutions were approved for participation in the multiple disbursement experiment, of which 109 submitted reports in 1997-98. Eighty-four of the institutions participating in this experiment reported that there were a combined total of 107,219 borrowers who were affected by the change in these institutions' schedules for loan disbursement. Among those reporting this information, the average number of borrowers receiving single-term loans was 1,276. The maximum number of affected borrowers at any of these schools was 7,600, and the minimum number was eight.

***Reported Benefits:***

Participants reported that the multiple disbursement experiment was beneficial in two major ways. First, it helped the institutions by reducing the administrative burden that the multiple disbursement requirements had imposed. Financial aid staff no longer had to spend time explaining to students why they had to receive their loans in two disbursements, and the institutions did not have to issue as many short-term loans. Furthermore, the schools saved staff time and money by not having to issue a second disbursement. The other main benefit of this experiment was that it afforded significant relief to student borrowers, who no longer had to scramble to meet their financial obligations until the second disbursement arrived.

*Administrative time and cost savings:*

During the 1997-98 academic year, 109 institutions participating in the multiple disbursement experiment submitted annual reports by December 23, 1998. It was widely stated by those who submitted reports that taking part in the experiment had reduced their administrative burden. While few were able to quantify the savings they had realized from participation, a significant number said that savings had occurred. Illustrative quotations are presented below.

> From *Northern Arizona University*: "We have seen a relief in the administrative burden of the short-term loan program and a simplification in the communications with students in our experimental groups. The short-term loan program reports an 85% decrease in their volume."
>
> From the *University of Wisconsin at Oshkosh*: "Participation in the experiment has reduced the school's administrative burden by 50% in regard to record keeping of loans disbursed and delivered to students for these single terms."
>
> From *George Mason University*: "Staff members need to spend less time with students discussing short-term emergency loan options and stop-gap funding options while students wait for loan funds to be processed. With a single disbursement date, processing of loans through our automated system is simplified."

All of the nine institutions that reported on changes in the administrative costs per borrower as a result of this experiment said that their costs had decreased. Similarly, all but one of the 44 schools reporting on changes in the administrative work hours per borrower that could be attributed to the experiment, said that the work hours had decreased. These results are comparable to those presented in the reports submitted by experimental sites participants for the 1996-97 program year.

Only one institution provided quantitative information on the effects of the multiple disbursement experiment on administrative time per borrower. This institution reported a 50 percent decrease in the

[2] A cohort default rate measures the percentage of borrowers who enter repayment in a given fiscal year who default on the loan in that fiscal year or the subsequent fiscal year.

amount of administrative time required per borrower participating in this experiment compared with the amount of time required per borrower in the base year before the experiment was implemented.

Similarly, only one institution provided quantitative information on the effects of the multiple disbursement experiment on administrative costs. This institution reported that, overall, administrative costs declined over $5,000 from the base year. This was assuming 20 minutes of staff time with each affected student, at an average hourly rate of $17 for staff members.

*Financial relief to students and customer satisfaction:*

Many of the institutions reported that a prime benefit of the multiple disbursement experiment had been financial relief for students, who no longer needed to wait for the second disbursement of their loans in order to meet their financial obligations. Typical of such reports are the quotations below.

> From *Montana State University at Billings*: "We processed several hundred fewer deferred fees because students received their full loans in one disbursement. Very few students needed counseling or emergency loans for off-campus expenses. There was considerably less stress for students who rely on their second loan disbursement for child care, rent, and food. The greatly decreased number of upset students was very obvious to the financial aid staff."
>
> From *Boise State University*: "Our feeling was that students were being hindered by not receiving all of their loan at the beginning of the semester. They were also being treated differently than their cohorts who had full-year loans. Due to our large non-residential populations, our students have expenses owed to community entities who often do not wait for second disbursements. Landlords and day care providers often require deposits as well as first and last month payments, which often exceed the funds available in the first disbursement."
>
> From *Rose-Hulman Institute of Technology*: "This program has…benefited senior students who have returned for additional term(s) to complete degree requirements. These students can take the full year maximum in a single disbursement, which allows them to replace lost funds such as state grants, outside scholarships, etc., which have four year maximums."

Before implementation of this experiment, many students who received single-term loans in multiple disbursements were obliged to request fee deferrals or short-term loans to tide them over until the second disbursement. With the experiment, a significant number of institutions have reported a decrease in the need among students for short-term loans. All but one institution of the 26 mentioning this issue reported that there had been a decrease in the number of short-term loans issued as a percentage of the total number of borrowers. While such a decrease reduces the administrative burden for the institution, as noted earlier, it may also be viewed to some extent as an index of customer satisfaction.

***Potential Negative Effects:***

The experiment has the potential to increase dollars in default if borrowers who drop out of school and later default on their loans have obtained all, rather than half, of their term loans. Thus, institutions participating in this experiment agreed to monitor the rate at which borrowers withdraw from school prior to the midterm, when the second disbursement would have been made. They also agreed to monitor term completion rate for borrowers participating in this experiment. If there were no significant increases in borrower withdrawal rates or decreases in completion rates, then an institution could be said to have benefited from the experiment with no additional risk to the Federal investment in financial aid.

*Withdrawal rates:*

In reporting the results of this experiment, participating institutions were encouraged to state the percentage of students with single disbursement of single-term loans who had withdrawn before the midpoint of the semester (the point where the second disbursement would have been made in the absence of the experiment). For the 1997-98 academic year:

- The average pre-midpoint withdrawal rate reported by the 60 institutions that provided this information was 1.1 percent;
- The highest rate reported was 6 percent; and
- The lowest reported was zero.

For the 1996-97 academic year, the average pre-midpoint withdrawal rate was 1.5 percent.

Twenty-six institutions provided quantitative data which can be used to compare the percentage of borrowers withdrawing before the midpoint during the 1997-98 experimental year to the percentage withdrawing before the midpoint during the base year, prior to implementing this experiment.

- The average change in withdrawal rates was less than -.19 percent;
- Twelve institutions experienced a slight decrease in withdrawal rates (average of 1.3 percent);
- Three institutions reported no change in withdrawal rates;
- Eleven institutions experienced a slight increase in withdrawal rates (average of .95 percent); and
- Only 2 of these 11 had increases of more than one percentage point.

Some of the participating institutions did not provide specific numbers for their withdrawal rates, but reported on the change in these rates in general terms—for example, by saying withdrawal rates stayed about the same after the experiment was implemented. Combining non-quantitative information of this kind with the quantitative data that other institutions supplied, it was found that:

- Twenty-three institutions reported no significant change in the pre-midpoint withdrawal rate when compared with the base year;
- Six of the institutions addressing this issue said that their pre-midpoint withdrawal rate had decreased since the experiment was implemented; and
- Four of them said it had increased.

*Completion Rates:*

Institutions taking part in this experiment were also asked to report on the semester completion rates for students who received single-term loans in single disbursements. This was a quality control precaution, to make sure that there was no pattern of students' collecting the second half of their loan without completing the semester.

- Thirty-eight institutions provided these data for 1997-98, reporting an average completion rate of 98 percent;
- The lowest completion rate reported was 89 percent; and
- The highest completion rate reported was 100 percent.

The average completion rate reported for the 1996-97 program year was the same as that reported for 1997-98.

Twelve institutions provided quantitative data which can be used to compare the percentage of borrowers completing the term during the 1997-1998 experimental year to the percentage completing during the base year.

- The average change in completion rates was less than -.08 percent.
- Of the 13 institutions, five experienced a slight increase in completion rates (average of 1.0 percent);
- Seven experienced a slight decrease in completion rates (average of -.8 percent);
- One institution reported no change in the percentage of students completing the term.

As was the case for information on withdrawal rates, many of the institutions reported on changes in completion rates in general terms, although a sizable number did not include actual numbers. Of the 13 institutions providing such information, ten said there was no significant difference between the 1997-98 experimental year and the base year in the completion rates for students with single-term loans. Two institutions reported an increase, and one, a decrease.

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## THIRTY-DAY DELAY OF DISBURSEMENT FOR FIRST-TIME, FIRST-YEAR BORROWERS

***Highlights of Findings***

*Like the multiple disbursement experiment, many institutions participated in this experiment and reported substantial administrative relief. They also reported financial relief for their borrowers and a reduction in the number of short-term loans. Both the withdrawal and completion rates improved slightly for the small number of institutions reporting these data for the base and experimental years. For 21 institutions, involving 39,109 borrowers, all reported withdrawal rates with no significant change (less than one percentage point) or a decrease from the base year. These data indicate that there is no additional risk to the Federal investment in financial aid.*

***Goal of the Experiment:***

To evaluate whether mandatory thirty-day delay is a financial barrier for first-time, first-year borrowers.

***Description of the Experiment:***

Before implementation of this experiment, institutions were required to wait thirty days from the beginning of a semester before disbursing federal loan funds to first-time, first-year borrowers. The reason for this stipulation was, like multiple disbursement, related to the potential for high rates of dropping out early in the postsecondary experience. The required thirty-day delay, however, created problems for some borrowers, since their major expenses often came due before their financial aid funds were available. Many such borrowers found it necessary to seek emergency loans to cover their educational and living expenses during the thirty days before the initial disbursement. The delay also resulted in administrative burden for institutions to manually override disbursement dates.

The experiment allowed participating institutions to disburse federal loan funds to first-time, first-year borrowers at the beginning of the semester, rather than thirty days later. The 1998 Amendments to the Higher Education Act also allow institutions whose three most recent years of cohort default rates are below 10 percent an automatic exemption from this requirement for a 30-day delay for first-time, first-term borrowers.

***Level of Institutional and Student Participation:***

During the 1997-98 academic year, 108 institutions were approved to participate in this experiment. Seventy of the institutions participating in this experiment reported on the number of student borrowers who were affected by the elimination of the thirty-day delay in loan disbursement. Among these, the average number of first-time, first-year borrowers was 1,387. The maximum number of affected borrowers at any of these institutions was 11,530, and the minimum number was five.

***Reported Benefits:***

Participants in the thirty-day delay experiment reported the same kinds of benefits as did those in the multiple disbursement experiment. There was a considerable reduction in administrative burden for these schools, since their staff was no longer called upon to help first-time students find ways to meet their financial obligations during the first thirty days of school. A number of institutions reported a decrease in students' demand for short-term loans. And from the standpoint of the student borrowers, there was a significant reduction in financial distress as a result of eliminating the thirty-day delay.

*Administrative time and cost savings:*

As was the case for the multiple disbursement experiment, a significant number of the participants reported that eliminating the thirty-day delay in disbursement had reduced their administrative burden in terms of staff time and/or costs. Many of these reports were qualitative rather than quantitative in nature; that is, they said that changes had occurred, but did not state their magnitude with any precision. Reports from two participating institutions are quoted below.

> From *Boise State University*: "Eliminating the thirty day delay has not prompted students to withdraw as soon as they get the money. Having their loan monies in time to pay fees, buy books and supplies, and pay for room and board is a very positive event for beginning students. Our staff no longer has to deal with students who are upset because they have no means to pay for essential education expenses even though they are eligible for loans."
>
> From *Montana State University at Bozeman*: "In the first year we were exempt from the 30-day requirement, our Short-Term Loan and Deferred Installment applications dropped over 50% (approximately 1000 students), which resulted in less cost to the students, and a substantial reduction in paperwork for the Financial Aid Office and other institutional offices."

In 1997-98, all but one of the 28 institutions that reported on changes in the administrative work hours per borrower as a result of this experiment said that the hours had decreased. Fewer institutions (13) reported any such changes in 1996-97, but all of those that did said that there had been a decrease in the administrative work hours per borrower when compared with the base year.

Only one institution reported quantitative data which could be used to compare administrative costs in the base year to administrative costs in the 1997-1998 experimental year. This institution reported an overall savings of $11,400 in administrative costs. No institutions reported quantitative data which could be used to examine changes in administrative work hours.

*Financial relief to students and customer satisfaction:*

A large number of participating institutions reported that this experiment had been very beneficial in giving students relief from the pressure of their financial obligations at the beginning of the term. Three such comments are presented below.

> From *Colorado State University*: "By limiting the availability of funds to any student at the beginning of the term when their start-up costs (books, rent deposits, tuition, etc.) are high, we are actually limiting their ability to remain enrolled. This is especially burdensome for very needy students."
>
> From the *University of New Hampshire*: "Students have not had to endure the hardships that would have otherwise resulted from delayed disbursements."
>
> From *Michigan State University*: "The positive results included decreased emergency short-term loan borrowing for the students in this experiment, and increased cash flow for the university. No negative results were realized."

As noted in the case of the multiple disbursement experiment, a substantial number (20) of institutions taking part in the thirty-day delay experiment reported a decrease in the percent of short-term loans that they issued. No institutions reporting on this issue said they had an increase or no change in the number of short-term loans. It can be assumed that this change reflects an increased level of customer satisfaction, since more students are now spared the inconvenience of having to apply for a short-term loan.

***Potential Negative Effects:***

As with the multiple disbursement experiment, the potential negative effect of this experiment is increased dollars in default. Because research has indicated that the highest rates of withdrawal tend to occur early in an academic term, with this experiment in place, borrowers who drop out in the first thirty days of the term will have obtained all of their loan for the term. Institutions have, therefore, agreed to monitor borrower withdrawal and term completion rates, as a condition of participation. If there are no significant increases in withdrawal rates or decreases in completion rates, the experiment can be said to have had positive effects without large negative consequences.

*Withdrawal Rates:*

As was true for the multiple disbursement experiment, those taking part in the thirty-day delay experiment were encouraged to report what percentage of affected students had withdrawn early (in this case, within thirty days of the beginning of the semester). This information was requested in order to ascertain how much federal student aid money was disbursed that would not have been disbursed if the traditional thirty-day waiting period had been observed. For the 1997-98 academic year:

- The average withdrawal rate among the 69 institutions reporting these data was .6 percent; and
- A maximum withdrawal rate of 10 percent, and a minimum rate of zero were reported.

For the 1996-97 academic year, the average rate among the institutions reporting was .6 percent as well.

Twenty-one institutions provided quantitative data which can be used to compare the percentage of new borrowers withdrawing within thirty days during the 1997-1998 experimental year to the percentage withdrawing within that period during the base year, before the thirty-day delay experiment was implemented.

- The average change in withdrawal rates was less than -.1 percent;
- Ten experienced a slight increase in withdrawal rates (average of .23 percent);
- Eight experienced a slight decrease in withdrawal rates (average of -.55 percent); and
- Three institutions reported no change.

Of the schools whose withdrawal rates increased, none had withdrawal rates that rose more than one percentage point.

Some institutions (31) reported on the direction of change in withdrawal rates, including those that provided general information, but no precise numbers. The majority (25) of those reporting on changes in withdrawal rates said that there had been no significant change in the percentage of borrowers withdrawing within thirty days between the base year and the 1997-98 academic year. Five of those providing information said that the early withdrawal percentage had decreased last year as compared to the base year, and one reported an increase.

*Completion rates:*

Institutions taking part in this experiment were asked to report on the semester completion rates for student borrowers who received single-term loans without the thirty-day delay. Sixteen institutions provided data for 1997-98.

- An average completion rate of 99 percent was reported among the experimental group;
- The lowest completion rate reported was 94 percent; and
- The highest completion rate was 100 percent.

The average completion rate among those reporting during the 1996-97 academic year was also 99 percent.

Eight institutions provided quantitative data which can be used to compare the percentage of borrowers completing the term during the 1997-1998 experimental year to the percentage completing during the base year.

- The average change in completion rates was 1.6 percent;
- Five experienced a slight increase in completion rates (average of 2.76 percent);
- Two experienced a slight decrease in completion rates (average of -.35 percent); and
- One institution reported no change.

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## ENTRANCE LOAN COUNSELING

***Highlights of Findings***

*While participating institutions were very satisfied with the flexibility afforded by this experiment and many of them reported reductions in administrative workload, no conclusions about the risk to the Federal investment can be drawn until cohort default rates become available.*

***Goal of the Experiment:***

To evaluate the effectiveness of alternatives to the current models and timetables for targeting and educating borrowers most likely to default.

***Description of the Experiment:***

Before implementation of this experiment, institutions were not permitted to release the loan funds for a first-time student borrower until he or she had taken part in entrance loan counseling. The counseling was intended to inform borrowers of their rights and responsibilities with regard to federal student financial aid, countering the claims of some defaulters that they did not understand their repayment obligations. Loan counseling sessions were scheduled at the beginning of each term, and were generally conducted in groups. In many cases the information was presented by means of a video. The institution was responsible for keeping records to document the participation of each borrower in entrance loan counseling. Because of the large number of borrowers who needed to fulfill this requirement during a short period of time, bottlenecks developed around the loan counseling process at many schools.

The experiment allowed participating institutions to release funds to first-time borrowers without the need for in-person counseling. Institutions responded to this change in a variety of ways. Many institutions opted to present loan counseling information to students in written form or via the Internet, instead of requiring their presence at counseling sessions. Others continued to conduct group sessions, but moved them to later in the semester. A few schools continued to tell students that entrance loan counseling was mandatory, but ceased to document which students took part in the sessions. In some cases, institutions kept the loan counseling requirement in force for certain categories of borrowers, and discontinued it for others.

***Level of Institutional and Student Participation:***

There were 74 institutions approved to participate in this experiment, twenty-eight of which provided data on the number of borrowers affected by their participation during 1997-98. Among this group, there were an average of 2,562 borrowers affected by the experiment. The highest number of affected borrowers at any of these institutions was 7,712, while 255 was the lowest number at any participating institution.

***Reported Benefits:***

The institutions that took part in this experiment reported considerable reductions in the staff time and costs required to serve their student borrowers. The experiment allowed participating schools to deploy their staff more efficiently at the start of each term, and they reported that it relieved them of a great deal of administrative burden. Some respondents also reported fewer complaints from students about the inconvenience of attending in-person counseling sessions at the start of the term.

*Administrative time and cost savings:*

During the 1997-98 academic year, 55 institutions reported on their participation in the entrance loan counseling experiment. This experiment allowed participating institutions to utilize alternatives to the in-person counseling sessions that had been previously required for all new borrowers as a precondition to receiving federal student loan funds. Many institutions responded by providing entrance loan counseling using some other medium, such as written information or the Internet, by changing the schedule for offering such counseling, or by limiting the number of students for whom it was required. Participants who reported on the benefits of this experiment cited a considerable reduction in administrative burden, as well as a favorable response from students. Some representative comments are presented below.

> From *George Mason University*: "By providing a variety of methods for our students to complete their loan counseling requirements, the students are less burdened and find it easier to comply. This results in students completing their requirements earlier and having their loan funds disbursed more quickly. By reducing the number of scheduled counseling sessions and adding alternatives to one-on-one counseling sessions, the staff in the financial aid office can devote more time to working with the students that have questions about their loans or financial aid in general."
>
> From the *University of North Carolina at Charlotte*: "The experiment provides for much more effective use of staff time during the critical start-up time at the beginning of each semester."
>
> From the *University of California at Riverside*: "Student response to the experiment has been extremely positive. Borrowers appreciate the flexibility and convenience of completing their loan entrance counseling over the Internet, particularly the 24 hours a day, 7 days a week accessibility which permits them to fit it into their own personal schedules."
>
> From the *University of Notre Dame*: "In the past,…students became very hostile; they did not appreciate loan counseling being mandated during enrollment…or as a condition to receiving their loan proceeds. We have had no negative comments regarding our current process, and we feel it more effectively allows us to share loan information with students when it is most relevant."

- All but one of the 24 institutions that reported on changes in administrative workload as a result of implementing this experiment said that administrative work hours per borrower had decreased between the base year and the 1997-98 academic year; and
- Five out of six of those reporting changes cited a reduction in administrative costs per borrower over the same period.

Few respondents commented on these matters in the 1996-97 reports, but those that did generally cited a reduction in administrative burden.

***Potential Negative Effects:***

Since a primary purpose of loan counseling is to reduce the eventual default rates of student borrowers, this would appear to be a useful area of inquiry in considering the outcomes of the entrance loan counseling experiment. However, default rates are a type of performance indicator that is long-term in nature. For example, in the case of four-year institutions, the appropriate default rate data would not be available for analysis until at least five years after a given cohort started out as freshmen.

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## EXIT LOAN COUNSELING

***Highlights of Findings***

*The experiment offers flexibility to institutions in administration of financial aid. No conclusions about the effect of the experiment on loan default can be drawn until cohort default rates for experiment years are available.*

***Goal of the Experiment:***

To evaluate the effectiveness of alternatives to the current models and timetables for targeting and educating borrowers most likely to default.

***Description of the Experiment:***

Before the experiment, institutions were required to provide exit counseling on loan repayment obligations to all student borrowers during their final semester of attendance. A reminder to students who were leaving the institution of their loan repayment obligations was thought to help prevent certain types of default. Many schools required such students to take part in group counseling sessions as a prerequisite for graduation, or as a prerequisite for releasing copies of their transcript.

The experiment allowed participating institutions to waive the requirement for student borrowers to receive in-person loan counseling before the end of their final semester. As in the case of entrance loan counseling, many institutions continued to provide (and sometimes to require) exit counseling in a different form. For example, participating schools often sent borrowers written materials on repayment obligations to borrowers during their final semester, instead of requiring their presence at group informational sessions.

***Level of Institutional and Student Participation:***

Of the 67 institutions that were approved to take part in the experiment, 9 submitted quantitative data on the number of borrowers affected by their participation in 1997-98. On the average, this group of institutions had 2,976 borrowers who would have been required to have in-person exit counseling in the absence of the experiment. The maximum number of affected borrowers among this group was 7,288, while 140 was the minimum number at an institution.

***Reported Benefits:***

The primary reported benefit of the exit loan counseling experiment has been a reduction in the administrative work hours required to serve each borrower. This benefit accrues to the institutions rather than the students. However, a few respondents reported benefits to the students as well, on the grounds that some students find the alternative forms of loan counseling now provided to be more convenient.

*Administrative time and cost savings:*

During the 1997-98 academic year, 43 institutions reported having participated in the exit loan counseling experiment. These participants developed alternative approaches to providing the in-person counseling sessions that would otherwise have been required for all graduating borrowers. In most cases the alternative approaches were the same types of programs described for the entrance loan counseling experiment – such as providing written materials or interactive electronic tutorials to exiting students. For the institutions, the primary benefit of the experiment was a reduction in the administrative burden of providing in-person counseling, although some cited improved convenience for students as well. One participating school described its experience as follows.

> From the *University of Idaho*: "This program reduces administrative burden at the institution by eliminating tedious record keeping to show which students attend exit counseling workshops. We found the record keeping was unnecessary and did not improve our ability to provide information to students. The time previously used for record keeping can now be used for programs on loan repayment."

About one-third of those that reported (14 institutions) said there had been some impact on administrative burden as a result of this experiment.

- All but one said there had been a decrease in the administrative work hours per borrower between the base year and the 1997-98 experimental year; and
- Only one institution made any specific reference to changes in the administrative costs per borrower.

***Potential Negative Effects:***

As described for the entrance loan counseling experiment, cohort default rates for the group of student borrowers affected by the experiment are not yet available. These rates will help to determine whether the experiment may have any long-term negative effects.

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## OVERAWARD TOLERANCE

***Highlights of the Experiment***

*A small overaward tolerance such as allowed in this experiment saves administrative time in paperwork and manual calculations, according to institutions participating in the experiment. Although borrowers may receive some funds in excess of calculated need, the frequency and magnitude of overawards is not great enough to warrant concern for increased debt levels. No negative effects of this experiment have been reported.*

***Goal of the experiment:***

To evaluate the cost effectiveness of small overawards in Title IV student loan programs.

***Description of the experiment:***

Before the experiment, institutions were required to correct any overaward that arose before a federal student loan was fully disbursed. Overawards often occurred when state and private student aid funds were awarded midway through a semester. Receipt of such funds would create an overaward situation, where the total amount of financial aid awarded exceeded the student's need. When this happened, the institution was required to return any federal student loan funds that were deemed to have been overawarded. The need to make overaward adjustments caused delays in loan processing and affected students who received one-time grants or scholarships.

The experiment allowed participating institutions to tolerate any overaward amounting to $300 or less per student. In other words, they were no longer required to correct such overawards if they did not exceed $300.

***Level of Institutional and Student Participation:***

Among those institutions submitting detailed information on their overawards:

- The average number of students in participating institutions with overawards of $300 or less in 1997-98 was 167;
- The average overaward amount for those with overawards of $300 or less was $164; and
- The average amount for all overawards of $300 or under at the reporting institutions was $27,435.

Only one school provided data sufficient to calculate the amount per Title IV recipient received in overawards. *Pennsylvania State University* provided Title IV aid to 38,023 students. In 1997-98 those students were allowed to keep an additional $45,300 in overawards due to this experiment. This amounts to $1.20 per student receiving any Title IV aid at this institution.

Following are the average number of 1997-98 overawards at these schools in each of three dollar ranges:

- $100 or less =46.1
- $100.1-200 =32.1
- $200.01-300 =50.7

For the 1996-97 experimental year, institutions reported an average of 311 students at reporting institutions who had overawards of $300 or less.

***Reported Benefits:***

The institutions that took part in this experiment reported emphatically about the extent to which it reduced their administrative burden. The paperwork involved in correcting overawards is substantial, and some reported that overawards to students are frequent. For very small overawards, the cost of adjusting the overaward may exceed the overaward itself. Although a few respondents mentioned financial benefits to students arising from this experiment, the great majority of the comments stressed the administrative benefits to the institution.

*Administrative time and cost savings:*

Thirty-eight institutions reported on this experiment during 1997-98. Of these, slightly less than one-third reported some impact on their administrative procedures as a result of the experiment. All of those reporting an impact said there had been a decrease in the administrative work hours per borrower from the base year to the experimental year. A small number (4) also made some reference to a reduction in the administrative costs per borrower. The saving in work hours occurs because participating institutions do not have to complete the paperwork associated with overawards of $300 or less. Two institutions describe these benefits as follows.

> From *the University of Florida*: "The total amount overawarded for all of these students is more than off-set by the administrative cost savings to the university in terms of staff time, billing and processing costs, computer usage and storage, and costs to the federal government and its processors for making the adjustments to loan originations, promissory notes, etc."
>
> From the *State University of New York Health Center*: "This experiment is helpful in two ways. First, students do not experience the confusion of having their aid adjusted for relatively small amounts of money. Second, the school does not incur the costs of contacting the students, collecting the overaward, and refunding the excess to the lender."

*Financial relief to students and customer satisfaction:*

None of the participating institutions reported student reaction to the implementation of this experiment. Nevertheless, it seems probable that borrowers on the whole are not averse to accepting overawards of $300 or less. Although overawards of this size produce a slight increase in students' total debt levels and interest costs, the additional funds also give borrowers greater latitude in meeting their financial obligations. Looking at the benefits of the experiment overall, it would appear that institutions rather than students are the major beneficiaries, because the administrative burden of correcting these minor overawards weighs most heavily on the institution.

***Potential Negative Effects:***

The law is designed to ensure that borrowers do not receive more loan funds than they need. However, the occurrence of overawards up to $300 is not frequent, and the tolerance level has been set so as not to allow for large overawards.

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## LOAN FEES IN COST OF ATTENDANCE

***Highlights of Findings***

*The experiment reduces the need for manual calculations of cost of education required when loan fees are included. No negative effects of the experiment have been reported.*

***Goal of the Experiment:***

To test a strategy for improving service to students by automating the calculation of cost of attendance when excluding loan fees.

***Description of the Experiment:***

Before the experiment, institutions were required to include loan fees in the cost of attendance, which was used as a base for calculating students' financial need. This provision helped to ensure that all true costs of education were included in determining aid eligibility. Adding these fees up front raised the total cost of attendance, which often increased the amount students could borrow. In some cases, the addition of loan fees also changed the type of loan a student was eligible to receive.

The experiment allowed participating institutions to exclude federal loan fees from the cost of attendance in determining students' financial need. In implementing this experiment, institutions changed their practice so as not to include loan fees routinely in the cost of attendance. However, they generally allowed financial aid administrators the option of including such fees in the cost of attendance in special circumstances, or upon a borrower's request. For example, including loan fees in a student's cost of attendance often allowed the institution to reduce or eliminate an overaward situation.

***Level of Institutional and Student Participation:***

Seventy institutions were approved to participate in this experiment. There were 11 institutions that reported data on both the total number of student borrowers, and how many of these borrowers had loan fees included in their cost of attendance. Of the 127,337 borrowers at these 11 institutions, 14,845, or 12 percent, had loan fees included in the cost of attendance. Eighty-eight percent, or 112,492, did not have their loan fees included in the cost of attendance.

***Reported Benefits:***

A major benefit of the loan fees experiment has been a reduction in the administrative burden that would otherwise have been borne by participating institutions. A great deal of staff time was saved by eliminating the need to manually calculate the cost of education for every single student.

*Administrative time and cost savings:*

During the 1997-98 academic year, 48 institutions reported on the loan fees in cost of attendance experiment. All of those reporting administrative impacts (16 institutions) from this experiment said that it had reduced their administrative work hours per borrower between the base year and the experimental year. With regard to administrative costs per borrower, none of the respondents made any specific mention of this factor. In percentage terms, the same reports were made for the 1996-97 program year. Typical of the comments made by participating institutions are the following:

> From the *University of California at Riverside*: "By freeing up counselor time to not have to review, edit, recalculate, and revise awards to adjust loan fees to the correct amounts, more time was available to meet with students on a one-on-one basis to discuss individual student needs, provide financial and money management counseling, and advise students on the policies and process for submitting budget add-on requests in those cases where additional loan funds were needed."
>
> *From the University of Idaho*: "There is a significant reduction in administrative workload. Automation allows us to use the average cost of education rather than hand calculating individual students' cost of education, as required when loan fees are part of the cost of education."

Slightly less than half the reporting institutions (21) commented on whether there had been a change in the total amount of loan fees included in loans between the base year and the experimental year. Of these, 20 reported that the total amount of loan fees included had decreased.

*Financial relief to students and customer satisfaction:*

This experiment provides a choice between paying loan fees up front or including these fees in the principal of loans. For those who pay the loan fees up front, the experiment provides some minor relief over the long term by reducing the amount they have borrowed. In the short-term, of course, such students may experience some additional financial stress.

The cumulative effect of this experiment on student borrowing can be impressive, as is evident from the following quotations:

> From *George Mason University*: "Based on the evaluation of the 1996-97 and 1997-98 QA samples, not adding loan fees to the cost of attendance affected a total of 1236 students over the two years, to the tune of about $317,720, or about $250 for each of these students…This means we reduced our students' loan burden by more than $300,000."
>
> From *Colorado State University*: "There were 811 students (8%) who had loan fees added to their budget and additional loans were awarded. An Additional $249,003 was borrowed by them. If all borrowers had loan fees added, it would have been an estimated $2,997,852 in additional loans.

***Potential Negative Effects of the Experiment:***

There are no major negative effects reported by the participants in this experiment.

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## LOAN PRORATION FOR GRADUATING BORROWERS

***Highlights of Findings***

*Participants in this experiment reported significant benefits to the institutions in terms of reduction in administrative burden, as well as substantial financial relief to student borrowers. Both types of positive outcomes were stressed by the participating institutions. None of the institutions reported any significant change in the withdrawal or completion rates of students affected by this experiment, and all mentioned only favorable impacts when summarizing its effects.*

***Goal of the Experiment:***

To evaluate whether loan proration is a financial barrier for borrowers.

***Description of the Experiment:***

Before the experiment, institutions were required to prorate loans for students who were expected to graduate at the end of the semester, to reflect the number of credits they are taking compared to the number of credits defined as full-time attendance. This provision was intended to ensure that loan amounts reflected student status, and did not unnecessarily inflate debt levels. However, this requirement sometimes imposed a financial hardship on graduating borrowers, since their living expenses tended to stay the same even if they were taking fewer credits. Most graduating students have low default risks, but the proration of loans may prevent some from completing their education.

The experiment allowed participating institutions to issue loans for the full semester amount to graduating borrowers, without the need for special proration calculations.

***Level of Institutional and Student Participation:***

There were 99 institutions approved to participate in this experiment. Fifty-two of these institutions reported that 13,798 borrowers were affected by the experiment. Among this group, an average of 265 borrowers did not have their loans prorated. The number with loans that were not prorated ranged from a high of 1500 to a low of 25 borrowers.

***Reported Benefits:***

Benefits to the institution included reduction in manual calculations and financial relief for borrowers.

*Administrative time and cost savings:*

About one-quarter (18 out of 74) of the reporting institutions addressed the issue of administrative workload in their reports. Of these, all but one said they had experienced a decrease in administrative work hours per borrower from the base year to the experimental year that could be attributed to this experiment. A few comments illustrating the benefits in terms of the administrative workload are presented below:

> From *Portland State University*: "Our staff…benefits by not having to deal with angry students who are delayed in receiving their funds, or have had their funds reduced simply because of their intended graduation timeframe."

> From *Oklahoma State University*: "Loan proration regulations created an administrative burden and caused confusion and hardship for graduating students. A proration calculation required approximately 30 minutes of staff time, or 158 person-hours over the course of the base year."

*Financial relief to students and customer satisfaction:*

A number of institutions commented that the loan proration experiment had provided financial relief to graduating borrowers during 1997-98. Several noted that students' living expenses remain the same during their final semester, no matter how many courses they are enrolled in; thus, they felt it was counterproductive to prorate loans based on students' actual credit hours. Others pointed out that waiving loan proration for graduating borrowers was especially helpful to those whose academic career takes longer than the traditional four years, since many sources of student financial aid are not available to this group. Improved student eligibility for subsidized as opposed to unsubsidized loans was another benefit that several institutions mentioned. A representative comment from one participating institution appears below.

> From *Montana State University at Bozeman*: "The benefits of this experiment to students include saving time and money, as they are able to receive more loan dollars up front and in a better mix of subsidized versus unsubsidized. Also, most students no longer need to resort to a private loan to make up the shortfall."

***Potential Negative Effects:***

There was some potential for increasing dollars in default by borrowers who did not complete their education, but who had obtained a larger last term loan than they would have received without this experiment. Therefore, participating institutions agreed to monitor the withdrawal and completion rates of their graduating borrowers.

*Withdrawal rates:*

Forty of the institutions that took part in the loan proration experiment provided data on the withdrawal rates among graduating borrowers with non-prorated loans. These institutions reported:

- The average withdrawal rate among this group was 1.5 percent;
- The highest withdrawal rate reported by any institution was 9.4 percent; and
- The lowest was 0 percent.

There were insufficient quantitative data to make an exact comparison of withdrawal rates for graduating borrowers before and after implementation of this experiment. However, 13 of the institutions addressed the issue in a general way in their reports. Of these, eleven said there had been no significant change or decrease in the withdrawal rates of graduating borrowers between the base year and the experimental year, one reported a decrease, and one reported an increase.

*Completion rates:*

Among the 20 institutional participants providing data on semester completion rates, the average completion rate for graduating borrowers during the 1997-98 academic year was 97 percent.

- The highest completion rate at any reporting institution was 100 percent.
- The lowest completion rate was 76 percent.

As was true in the case of withdrawal rates, there were not enough actual data to allow a precise calculation of completion rates for graduating borrowers before and after implementation of this experiment. Neither were there enough general comments about completion rates to reach any firm conclusion on the subject. Of the very few institutions (6) who addressed this issue in their reports, the majority said there was no significant change in the percentage of graduating borrowers completing the term since implementation of the experiment, and one said its completion rate had increased.

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## CREDITING TITLE IV AID TO INSTITUTIONAL CHARGES

***Highlights of Findings***

*Institutions report substantial administrative relief as well as financial aid processing relief (albeit not as significant) for students. No negative effects of the experiment have been reported.*

***Goal of the Experiment:***

To evaluate the impact of enhancing services to students by allowing crediting of Title IV funds to institutional charges without written authorization from students.

***Description of the Experiment:***

Before the experiment, institutions were required to obtain written permission from students in order to credit Title IV funds to institutional charges.

The experiment allowed participating institutions to credit Title IV funds to institutional charges without receiving written authorization. Institutions report that obtaining authorization from all students to credit charges is costly and delays the delivery process. The purpose of this regulatory provision was to ensure that loan funds were applied to actual educational cost, but students had the burden of giving permission. Although no longer required to obtain specific permission from each student, institutions in this experiment were required to inform each Title IV recipient of their policy on crediting Title IV aid to institutional charges, and of the procedure whereby students could decline this automatic crediting if they chose to do so. Thus, students' rights are safeguarded.

***Level of Institutional and Student Participation:***

There were 42 institutions approved for this experiment. Among the participating institutions that reported these data (25), there were an average of 3,849 students who had Title IV aid credited to institutional charges. For the 5 institutions providing data that allowed such a calculation, the average amount of aid per student that was credited to institutional charges was $244. Of the 22 respondents reporting data, 19 (86 percent) said that no students declined crediting of aid, while 3 institutions said that one or two students did decline such crediting. These results are the same as those reported for the 1996-97 academic year.

***Reported Benefits:***

The reports of the institutions that took part in this experiment stressed the benefits it provided in reducing their administrative burden. The experiment simplified registration and payment procedures for a number of institutions. It also provided greater convenience for students, but this appeared to be a less significant effect than the administrative benefits to the institutions.

*Administrative time and cost savings:*

In their reports, about eight institutions addressed the question of reduction in administrative burden from the base year to the experimental year. All of this group stated that the administrative work hours per borrower had decreased since the experiment had been implemented. Comments by two participating institutions are presented below.

> From *Clemson University*: "The project has been very effective in reducing administrative burden, simplifying the class registration and payment processes for students…The process removed the administrative burden and student inconvenience of collecting, filing and retaining written authorization."

> From *Colorado State University*: "The institution no longer had to issue refunds to students who would in turn write a check back to the university for charges they still owed. This resulted in the issuing of fewer refund checks in a few cases, but mostly it resulted in the issuing of refund checks for smaller amounts."

*Financial relief to students and customer satisfaction:*

The institutions that took part in this experiment reported benefits to students in general terms, but supplied little detail on the subject. Their comments seemed to stress improved convenience as much as actual financial relief. It seems evident that in the administrators' view, the primary benefit of the crediting aid to institutional charges experiment was the relief it provided to the institution.

***Potential Negative Effects of the Experiment:***

There is the potential for the occasional student to claim that s/he was not adequately informed about how loan funds were being disbursed. There were, however, no reported negative effects of this experiment.

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## CREDITING TITLE IV AID TO PRIOR TERM CHARGES

***Highlights of Findings***

*Schools reported that the waiver of written authorization to credit Title IV aid to prior term charges helped to keep some of their students in school. No negative effects of the experiment have been reported.*

***Goal of the Experiment:***

To evaluate the impact of enhancing services to students by allowing crediting of Title IV funds to prior term charges without individual written authorization from students.

***Description of the Experiment:***

Before the experiment, institutions were required to obtain written permission from students in order to credit Title IV funds to prior term charges.

The experiment allowed participating institutions to credit Title IV funds to prior term charges without receiving written authorization. Again, the provision potentially attempted to insure that loan funds were applied to educational costs used in calculating students' financial need. Although no longer required to obtain specific permission from each student, institutions were required to inform each enrolled student of their policy on crediting Title IV aid to prior term charges, and of the procedure whereby students could decline this automatic crediting if they chose to do so.

***Level of Institutional and Student Participation:***

There were 23 institutions approved to participate in this experiment. On average, 1,159 students had Title IV aid credited to prior term charges at the institutions that took part in this experiment and reported data. The average total amount of aid credited to institutional charges was $421,941 at participating institutions. At the 10 institutions reporting both the total amount of aid credited to prior term charges and the number of students for whom Title IV aid was credited to prior term charges, the average amount credited to prior term charges was $467 per student.

***Reported Benefits:***

According to participants' reports, the primary benefit of this experiment is financial relief to students who have fallen behind in meeting their financial obligations to the institution. A policy of allowing Title IV aid to be credited to prior term charges without written authorization simplifies the registration process for students in this position. A few of the institutions cited administrative benefits as a result of this experiment, but these were relatively minor compared to the financial relief the experiment afforded to students.

*Administrative time and cost savings:*

Sixteen institutions reported on the crediting aid to prior term charges experiment during the 1997-98 academic year. Only 2 of 16 mentioned any change in their administrative burden as a result of the experiment, and both of these schools said that their administrative work hours per borrower had decreased. It would appear that the primary benefits of this experiment lie elsewhere than in the area of administrative relief.

*Financial relief to students and customer satisfaction:*

Those who reported benefits resulting from implementation of this experiment described them primarily in terms of relief to students. A policy that allows crediting of federal financial aid to prior term charges without written authorization makes it easier for students to continue in school even if they have some outstanding charges from a previous semester.

***Potential Negative Effects:***

Although no participants have reported this, there is the possibility that prior term charges may be substantial; no negative effects of this experiment have been reported.

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## SPECIAL-PURPOSE EXPERIMENTS

The experiments described so far have all been implemented by a number of institutions, presumably because many schools thought that they would benefit the institutions and/or students. These experiments were designed to address situations common to many institutions—problems that are widely recognized as burdensome from either an administrative or financial standpoint. To some extent, they may be viewed as addressing the most severe and the most obvious difficulties experienced by financial aid administrators.

The remaining experiments, in contrast, appear to have been designed to meet the special needs of one or a few institutions. Three of the experiments were proposed by only a single institution, and one has been implemented by a consortium of six institutions that worked together to plan their participation and reporting.

It would seem that this last group of four experiments responds to particular needs which do not apply to all institutions, or needs of which not all institutions are aware. Only one of these four experiments (Work-Study Records) appears to have the primary purpose of reducing administrative burden. In the case of the Ability to Benefit experiment, participating institutions reported that the experiment had actually increased their administrative burden to some extent. However, this was viewed as unimportant in the context of the primary goal, which was to enable a specific group of students who had started college without financial aid, an incentive to qualify for financial aid and continue their studies. Both the Work-Study Payment experiment and the Academic Term experiment were designed to provide greater flexibility for students. The following four experiments are discussed as a separate group, since they appear to differ qualitatively from the ones already described.

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## ACADEMIC TERM EXPERIMENT

***Highlights of Findings***

*The single institution participating in this experiment reported a decrease in administrative burden as well as financial aid eligibility for a small number of students enrolled in the accelerated program. There were no negative effects reported.*

***Goal of the Experiment:***

To test whether the statutory definition of an academic year, and the regulations based on that definition, can be relaxed to accommodate alternative schedules without impairing students' academic achievement.

***Description of the Experiment:***

Under current regulations, institutions are required to define an academic year as having a minimum of 30 weeks of instruction, and definitions of other academic time spans are based on this standard. In the case of courses that take place during an accelerated time period, student financial aid is calculated under non-standard term formulas that provide a lower amount of aid than would normally be available for an equivalent number of credits.

The institution in this experiment counts accelerated programs as academic terms for purposes of calculating student financial aid. These are programs in which instruction is compressed into a shorter than normal expanse of time (as is typically done in the case of summer sessions and weekend programs, for example). Yet the students in the accelerated programs are taking the exact same curriculum, with the same number of classroom hours, and earn the same number of credits.

***Level of Institutional and Student Participation:***

Only *Muhlenberg College* proposed and implemented this experiment during 1997-98. Eighteen students receiving financial aid enrolled in this program in 1997-98, of whom 17 were re-entry students that were currently employed. A total of $88,143 in Title IV aid was disbursed to the students in the program.

***Reported Benefits:***

This institution reported that the major benefit it realized was a decrease in the burden of administering its program. Students also benefited from more timely processing of their financial aid, and from having the option of receiving federal financial aid for an accelerated program of study. Muhlenberg provided the following description of the benefits of its participation.

> "For our office, having the experimental site status greatly decreased our administrative burden in aiding our Evening College population. Rather than having to take the time to account for the

> hours of classroom time and pro-rating loans and using special Pell Grant formulas, we could process their aid applications and calculate their aid eligibility quickly and get aid and refunds processed faster…We could spend more time in loan counseling and future planning. By treating all classes the same, we also did not need to recalculate aid if the student switched from a 15-week class to an 8-week class."

Because of its experiment, Muhlenberg was able to offer an academic program in an 8-week accelerated format and have its students be eligible for federal financial aid. Muhlenberg's report suggests that the primary benefits realized from its participation in the experiment were a reduction in administrative burden for the institution and the awarding of aid equitably to students in shorter than traditional length programs.

***Potential Negative Effects:***

No negative effects were reported.

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## FEDERAL WORK-STUDY TIME RECORDS

> ***Highlights of Findings***
>
> *The single institution participating in this experiment reported a reduction of administrative costs through simplified payroll processing. No negative effects were reported.*

***Goal of the Experiment:***

To test the implementation of electronic technology as an alternative to the requirement that Federal Work-Study time records be kept in writing.

***Description of the Experiment:***

Under current regulations for the Federal Work-Study program, institutions are required to keep paper records of the hours worked by each student and the amounts paid, including a certification signed by a supervisor.

The experiment allows participating institutions to use an electronic payroll system with an electronic signature to certify time records, rather than collecting and maintaining a written signature on paper to certify each record.

***Level of Institutional and Student Participation:***

The one institutional participant did not report the number of students affected by the experiment.

***Reported Benefits:***

The single participant in this experiment reported a number of benefits to the institution in terms of administrative efficiency, security against fraud, and more accurate reporting of hours. However, the institution did not mention any benefits accruing to students as a result of its participation.

The only institution that proposed taking part in the Federal Work-Study time records experiment was Southern Methodist University. Implementation of the experiment began during the 1997-98 academic year. Its report summarized the benefits to the institution as follows:

> "The logistics of each payroll has been greatly simplified…By relieving University personnel from the burden of hand processing time cards, KRONOS [the institution's automated

timekeeping system] substantially reduces the administrative burden associated with each payroll. KRONOS additionally provides greater security against fraud, preserving the integrity of the FWS program. It provides for limited access to the system and ensures that electronic certification is affixed to all hours reported."

The institution also reported that the automated timekeeping system reduced human error and increased the accuracy of the hours reported. The institution provides reports of periodic checks of the system to avoid any problems of system malfunction and misuse.

***Potential Negative Effects:***

The institution did not report any negative effects.

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### FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT EXPERIMENT

This experiment was never implemented during the 1997-98 academic year. If implemented, it would have been terminated because the Higher Education Act Amendments of 1998 disallowed the waiver of award rules.

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### FEDERAL WORK-STUDY PAYMENT TO STUDENTS

***Highlights of Findings***

*The single institution participating in this experiment reported students' satisfaction with the option of automatic Work-Study payroll deductions to offset institutional charges. No negative effects were reported.*

***Goal of the Experiment:***

To test the implementation of an optional automatic payroll deduction system for students participating in the Federal Work-Study program.

***Description of the Experiment:***

Under current regulations, institutions are required to pay students in the Federal Work-Study program at least once a month, using a check or other means of payment that the student can cash on his or her endorsement.

The experiment allows participating institutions to offer students the option of automatic payroll deductions to offset institutional charges, upon written request by the student. By means of these deductions, students would be allowed to credit either all or a portion of their Work-Study earnings to their account with the institution.

***Level of Institutional and Student Participation:***

This experiment, too, has had only one participant so far—*Smith College*. The report states that Smith has 1607 students to whom Federal Work-Study has been awarded for the 1998-99 academic year[3]. Of these, 177 have chosen to use the payroll deduction option. Regarding the Work-Study funds expended in the first month of the current academic year, the report says that of the dollars paid for students using the payroll deduction option, 81 percent of the funds have been credited to student accounts.

***Reported Benefits:***

Smith's report does not identify any specific administrative benefits to the institution as a result of this experiment. It does state, however, that students like the convenience of the payroll deduction option allowed under the experiment. A passage from the report is presented below.

> "Having the ability to offer students the option of having their Federal Work-Study earnings credited directly to their student account has been well received by the students at Smith…As expected, students seem to find it easier to have funds automatically deducted, rather than having to remember to deposit their work-study paycheck, and then to write a check for the amount they wish to pay toward their student account balance."

***Potential Negative Effects:***

No negative effects were reported.

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**ABILITY TO BENEFIT**

***Highlights of Findings***

*The experiment benefited a small group of students at six community colleges who had a record of postsecondary academic success by providing them Federal aid eligibility. Participating institutions supplied data that indicated student beneficiaries perform at least as well as or better than their peers not admitted under the experimental ability to benefit criterion, in terms of grade point average and course completion rates.*

***Goal of the Experiment:***

To evaluate the impact of providing financial aid to students who lack a high school diploma and have not passed an Ability to Benefit (ATB) test, but have completed at least six college credits in core courses with a "C" or better average.

***Description of the Experiment:***

Under current regulations, institutions may only provide federal student financial aid to students who are academically qualified to study at the postsecondary level. To prove themselves academically qualified, students must either have a high school diploma or its recognized equivalent, or pass a federally approved and independently administered ATB test.

The experiment allows participating institutions to extend federal student financial aid to a broader group of students, including those who have failed the ATB test. It gives students a third avenue for proving themselves academically qualified for postsecondary study (and therefore eligible to receive federal student financial aid). The new method whereby students may establish eligibility is to complete at least six college-level credits, in core courses acceptable by a community college, with a cumulative grade point average of "C" or better.

[3] Smith's report differs from the rest of those summarized here because it presents initial data for the 1998-99 program year, but does not supply data for 1997-98.

***Level of Institutional and Student Participation:***

A consortium of 6 California community colleges proposed and implemented the ability to benefit (ATB) experiment during the 1997-98 academic year. (An additional 17 community colleges were approved to participate but chose to delay implementation by one year.) The group of financial aid recipients who met the alternate ATB criteria was quite small, with an average size of only 14 students among all participating institutions that provided data, or 85 across all six schools.

***Reported Benefits:***

The handful of institutions taking part in this experiment suggested that its major benefit was to expand the group of students who have the ability to benefit and who qualify to receive federal financial aid. The experiment was said to offer a useful incentive to students who had started college without such aid eligibility. In addition, the experiment offers students a feasible alternative to persist in their education and achieve their goals. Ultimately, providing financial aid to academically able students helps retention efforts.

In the reports submitted by this group, the respondents stressed the benefits to students of expanded federal student aid eligibility as a result of the experiment. Typical of their comments are the following two:

> From *West Hills College*: "The ATB experiment provides a viable alternative to students who cannot pass the assessment test; it also acts as an incentive, even for students who don't initially qualify, to take the necessary remedial classes to prepare them for college classes."
>
> From *Vista Community College*: "The program…provides an incentive for students to work harder in their classes. By persisting until they complete the six core units, they may be eligible to receive federal funding. Several students who are in the process of completing the required units to become eligible have reported ways to find short-term solutions to their financial issues, knowing that they will be eligible for aid in the subsequent semester."

The participants focused primarily on the benefit to students of expanded eligibility for federal financial aid.

The reports submitted by participating institutions in 1997-98 gave statistics on the number and academic performance of three groups of students: financial aid recipients with a high school diploma or its equivalent, financial aid recipients without a high school diploma who had passed an ability to benefit test, and financial aid recipients without a high school diploma who had failed the ability to benefit test, but had completed at least six college-level credits in core courses with a grade of "C" or better. These data are presented in the following table.

**Table 1: Number and Academic Performance of Students with Different Entry Credentials, at Institutions Participating in Ability to Benefit Experiment**

| **Student groups, by type of entry credentials** | **Average number of students in this group** | **Average semester GPA for students in this group** | **Average number of units completed per semester for students in this group** | **Course completion: units attempted/enrolled** |
|---|---|---|---|---|
| Financial aid recipients with high school diploma or equivalent | 2102 | 2.44 | 5.6 | 0.61 |
| Financial aid recipients without high school diploma who passed an ATB test | 159 | 2.48 | 9.5 | 0.61 |
| Financial aid recipients without high school diploma who failed the ATB test, but had completed at least 6 college-level credits in core courses with a grade of “C” or better | 14 | 2.46 | 9.7 | 0.69 |

Note: 6 institutions reported on this experiment in 1997-98.

It is interesting to observe that the average semester grade point averages are just about the same for those who entered college with a high school diploma, those who entered after passing an ATB test, and those who entered having failed the ATB test, but having met the specified alternate criteria.

The two groups who entered college without a high school diploma both had a substantially higher average number of units completed per semester than the group of high school graduates. On a second measure of course completion, units attempted divided by units enrolled, the alternate criteria group did somewhat better than either the high school graduates or those who had passed the ATB test. In terms of academic outcomes, these results would suggest that students who have met the specified alternate criteria are just as well prepared for college work as those with a high school diploma and those who passed the ATB test.

***Potential Negative Effects:***

Historically, ATB students do not perform as well in college as their peers who have graduated from high school. However, the ATB students in this experiment are atypical in having successfully completed at least six credits in a postsecondary institution. As mentioned, data on course completion rates and grade point averages for this group of students indicate they perform as well as, or better than, their peers. There were no negative effects reported.

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# APPENDIX A

## APPENDIX A

## DESCRIPTION OF REPORTING REQUIREMENTS UNDER THE EXPERIMENTAL SITES INITIATIVE

### Multiple Disbursement for Single Term Loans

*Reporting requirements:*

To measure and report the number of borrowers in the experiment who withdraw before the midpoint in a term and the number who complete the term.

*Reporting that is encouraged but not required:*

Reporting on additional performance measures, such as reduction in emergency loans, fee deferrals, and administrative workload effects. Institutions are also encouraged to compare the number of borrowers withdrawing and completing to baseline data for the year prior to implementation of the experiment.

*Statutory and Regulatory provisions from which participants are exempted:*

Section 428G(a) of the Higher Education Act (HEA)
See FFEL 34CFR 682.207(c), Direct Loan 34CFR 685.301(b).

### Thirty-Day Delay of Disbursement for First-Time, First-Year Borrowers

*Reporting requirements:*

To measure and report the number of borrowers in the experiment who withdraw within thirty days and the amount of Title IV loan funds disbursed to them. If demographic criteria are used to retain delayed disbursement for borrowers most likely to withdraw, the institution is required to report on the demographic criteria used and the number of borrowers by category.

*Reporting that is encouraged but not required:*

Reporting on additional performance measures, such as the default rate of borrowers included in the experiment. Institutions are also encouraged to compare the number of borrowers withdrawing within thirty days to baseline data for the year prior to implementation of the experiment.

*Statutory and Regulatory provisions from which participants are exempted:*

Section 428G(b)(1) of the HEA
See FFEL 34CFR 682.604(c)(5), Direct Loan 34CFR 685.303(b)(4).

### Entrance Loan Counseling

*Reporting requirements:*

To monitor and report on the default rate of borrowers in the experiment. If demographic data are used to target loan counseling on borrowers most likely to default, participants are required to report on the demographic criteria used and the number of borrowers by category.

*Reporting that is encouraged but not required:*

Reporting on other performance measures, such as borrower surveys to assess knowledge of student loan obligations as a result of the experiment.

*Regulatory provisions from which participants are exempted:*

See Perkins 34CFR 674.16(a)(1)(iv), (vii), (xi), (xii)
FFEL 34CFR 682.604(f), Direct Loan 34CFR 685.304(a).

**Exit Loan Counseling**

*Reporting requirements:*

To monitor and report on the default rate of borrowers in the experiment. If demographic data are used to target loan counseling on borrowers most likely to default, participants are required to report on the demographic criteria used and the number of borrowers by category.

*Reporting that is encouraged but not required:*

Reporting on other performance measures, such as borrower surveys to assess knowledge of student loan obligations as a result of the experiment.

*Statutory and Regulatory provisions from which participants are exempted:*

Section 485(b) of the HEA
See Perkins 34CFR 674.42(a), FFEL 34CFR 682.604(g), Direct Loan 34CFR 685.304(b).

**Overaward Tolerance**

*Reporting requirements:*

To report on the number of overawards of $300 or less, in increments of $100; on the size of the average overaward; and on the institution's standard budget.

*Reporting that is encouraged but not required:*

Reporting on overawards that arise both before and after final disbursement.

*Regulatory provisions from which participants are exempted:*

See FFEL 34CFR 682.603(d)(2), Direct Loan 34CFR 685.301(a)(3)(ii).

**Loan Fees in Cost of Attendance**

*Reporting requirements:*

To measure and report on the number of borrowers in the experiment for whom loan fees are included in the cost of attendance, and the increased amount of Title IV loan funds disbursed to them.

*Reporting that is encouraged but not required:*

Reporting on additional performance measures, such as tracking borrowers with Title IV loan disbursements less than their loan eligibility, and reduction in administrative workload as a result of the experiment.

*Statutory provision from which participants are exempted:*

Section 482(12), HEA.

**Loan Proration for Graduating Borrowers**

*Reporting requirements:*

To monitor and report on the number of borrowers in the experiment who withdraw and the number who complete the term.

*Reporting that is encouraged but not required:*

Reporting on additional performance measures, such as the amount of Title IV loan increases for borrowers in the experiment, and the default rates for borrowers in the experiment compared to the default rate of a prior cohort.

*Statutory and Regulatory provisions from which participants are exempted:*

Sections 425(a)(1)(A)(ii)(II), (III)(II), and 428(b)(I)(A)(ii)(II) and (iii)(II), HEA
See FFEL 34CFR 682.204(a)(3)(ii), Direct Loan 34CFR 685.203(a)(3)(ii).

**Crediting Title IV Aid to Institutional Charges**

*Reporting requirements:*

To measure and report the number of students who decline the automatic crediting of Title IV aid to institutional charges, the number of students for whom Title IV aid is credited to institutional charges, and the total amount of Title IV aid so applied.

*Reporting that is encouraged but not required:*

Reporting on additional performance measures, such as the amount of Title IV aid disbursed to students who subsequently declined the automatic crediting of charges.

*Regulatory provisions from which participants are exempted:*

See General Provisions 34CFR 668.165(b)(3)(iv).

**Crediting Title IV Aid to Prior Term Charges**

*Reporting requirements:*

To measure and report the number of students who decline the automatic crediting of Title IV aid to prior term charges, the number of students for whom Title IV aid is credited to prior term charges, and the total amount of Title IV aid so applied. The institution is also required to provide a dollar distribution, in $250 increments, for the Title IV aid applied to prior term charges.

*Reporting that is encouraged but not required:*

Reporting on additional performance measures, such as the amount of Title IV aid disbursed to students who subsequently declined the automatic crediting of prior term charges.

*Regulatory provisions from which participants are exempted:*

See General Provisions 34CFR 668.165(b)(1).

**Academic Term Experiment**

*Reporting requirements:*

To measure and report the number of students enrolled in each program to which the exemption is applied, as well as the type and number of students by various categories (older students, re-entry students, retired students, and low-income students) and their graduation rates. The institution will compare these student profiles with those of traditional students.

*Statutory and Regulatory provisions from which participants are exempted:*

Section 481(d)(2), HEA
See 34 CFR 668.2.

**Federal Work Study Time Records Experiment**

*Reporting requirements:*

To review the FWS payroll once a month by doing random audit surveys with supervisors and FWS student employees to verify hours worked and amount paid to determine if there are instances of mis-reporting. Security tests will be performed to ensure the system is secure and private.

*Regulatory provisions from which participants are exempted:*

See 34 CFR 675.19(b)(2)(i).

**Federal Work Study Payment to Students Experiment**

*Reporting requirements:*

To monitor and measure results by: (1) comparing the amount of work study awards to amount pledged through payroll deduction and actual amounts credited to the student's account; and (2) compare the percentage of students who choose the option to those awarded work study.

*Regulatory provisions from which participants are exempted:*

See 34 CFR 675.16(a)(1)(i).

**Federal Supplemental Educational Opportunity Grant Experiment**

This experiment was not implemented in 1997-98. The 1998 HEA Amendments specify that no award provisions are to be waived.

*Reporting requirements:*

No particular reporting requirements have been specified; however, institutions are required to track and monitor those Pell Grant recipients who receive FSEOG funds due to the change in the priority order for FSEOG awards, but would not have received them in the absence of the experiment.

*Statutory and Regulatory provisions from which participants would have been exempted:*

Section 413C(c)(2), HEA
See 34 CFR 676.10(a).

**Ability to Benefit Experiment**

*Reporting requirements:*

To compare the retention and academic success of three groups of Title IV aid recipients: (1) those who possess a high school diploma or its equivalent; (2) those who do not have a high school diploma or its equivalent, but took and passed an approved ATB test; and (3) those who do not have a high school diploma or its recognized equivalent, failed the ATB test, but have earned at least a "C" average in six college level credits.

*Statutory and Regulatory provisions from which participants are exempted:*

Section 484(d)(1), HEA
See 34 CFR 668.32(e)(1).

# APPENDIX B

## INSTITUTIONAL SCREENING FOR PARTICIPATION IN EXPERIMENTAL SITES

Institutions are selected to participate in the Experimental Sites Initiative if the proposal has merit and if they pass a screening stage. The institutions listed as approved for participation went through both reviews.

Institutions were encouraged to form consortia when proposing a common experiment. Consequently, consortia submitted most experiments. The largest consortium consists of institutions participating in the Quality Assurance Program. The majority of these institutions are Direct Loan institutions while others participate in the Federal Family Educational Loan Program.

When an institution applies to be an experimental site, the Institutional Participation and Oversight Service (IPOS) looks at the institution's overall track record including administrative capability as evidenced by compliance audit findings; program review findings; Departmental actions such as limitation, suspension and termination; financial responsibility standards as evidenced by financial statements; performance measures such as default rates; timely submission of reports, such as Federal Pell Grant reports; and absence of excess cash as evidenced by payment management reports. Other offices in the Department are involved as well.

As of October 1, 1998, the Department had received proposals from 325 institutions. To date, 164 institutions have been approved for the proposals they submitted, either individually or as consortia. The 161 institutions excluded from participation either did not pass screening or their proposals were not accepted. The most frequent causes of institutions failing the screening were default rates and/or program review findings.

## APPENDIX B

## INSTITUTIONS APPROVED FOR PARTICIPATION IN EXPERIMENTAL SITES INITIATIVE BY REGION

| INSTITUTION | ACADEMIC TERM | ENTRANCE COUNSELING | EXIT COUNSELING | MULTIPLE DISBURSEMENT | 30 DAY DELAY | LOAN FEES | LOAN PRORATION | PRIOR TERM CHARGES | INSTITUTIONAL CHARGES | OVERAWARD TOLERANCE | ABILITY TO BENEFIT | WORK STUDY PAYMENT | WORK STUDY RECORDS | FSEOG |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ***Region 1*** | | | | | | | | | | | | | | |
| Boston University | | | | X | X | | X | | | | | | | |
| Harvard University | | X | X | X | X | X | X | | | | | | | |
| Massachusetts Institute of Technology | | | | X | X | | X | | | | | | | |
| Radcliff College | | X | X | X | X | X | X | | | | | | | |
| Smith College | | | | | | | | | | | | X | | |
| University of Maine | | | | X | X | | | | | | | | | |
| University of Massachusetts at Amerherst | | | | X | X | | | | | | | | | |
| University of New Hampshire | | | | X | X | | | | | | | | | |
| University of Rhode Island | | | | X | X | | | | | | | | | |
| University of Vermont | | | | X | X | | | | | | | | | |
| **TOTAL=10** | **0** | **2** | **2** | **9** | **9** | **2** | **4** | **0** | **0** | **0** | **0** | **1** | **0** | **0** |
| ***Region 2*** | | | | | | | | | | | | | | |
| New York University | | X | X | X | X | X | X | X | X | X | | | | |
| Rutgers The State University of New Jersey, Central | | | | X | X | X | | | | X | | | | |
| State University College-New Paltz | | | | X | | | | | | | | | | |
| State University of New York-Binghampton | | X | X | X | X | X | X | | | X | | | | |
| State University of New York-Buffalo | | | | X | | | X | | | | | | | |
| State University of New York-Stoney Brook | | X | X | X | | | X | | | X | | | | |
| State University of New York-Albany | | | | X | | | | | | | | | | |
| State University of New York at Oswego | | | | X | | | | | | X | | | | |
| State University of New York-Brockport | | | | X | X | | X | | | X | | | | |
| State University of New York-Postsdam | | | | X | | | | | | X | | | | |

| **Institution** | **Academic Term** | **Entrance Counseling** | **Exit Counseling** | **Multiple Disbursement** | **30 Day Delay** | **Loan Fees** | **Loan Proration** | **Prior Term Charges** | **Institutional Charges** | **Overaward Tolerance** | **Ability to Benefit** | **Work Study Payment** | **Work Study Records** | **FSEOG** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| State University of New York College of Technology | | | | X | | | | | | X | | | | |
| SUNY college at Buffalo | | | | X | | | | | | | | | | |
| SUNY Empire State College | | | | X | | | | | | X | | | | |
| SUNY Health Science Center at Syracuse | | X | | X | X | | | | | X | | | | |
| Syracuse University | | | | X | | | | | | X | | | | |
| **Total=15** | **0** | **4** | **3** | **15** | **5** | **3** | **5** | **1** | **1** | **11** | **0** | **0** | **0** | **0** |
| ***Region 3*** | | | | | | | | | | | | | | |
| George Mason University | | X | X | X | X | X | X | | | | | | | |
| Johns Hopkins University-Homewood Campus | | X | X | X | X | X | X | X | X | | | | | |
| Muhlenberg College | X | | | | | | | | | | | | | |
| Old Dominion University | | | | X | X | | | | | X | | | | |
| Pennsylvania State University | | X | X | X | X | X | X | | | X | | | | |
| Temple University | | | | X | | | | | | X | | | | |
| University of Maryland at College Park | | | | X | X | X | X | | | X | | | | |
| University of Virginia | | X | X | X | X | X | X | X | X | X | | | | |
| Virginia Commonwealth University | | X | X | X | X | | X | | | X | | | | |
| Virginia Polytechnic Institute & State University | | | | | | | | | | X | | | | |
| **Total=10** | **1** | **5** | **5** | **8** | **7** | **5** | **6** | **2** | **2** | **7** | **0** | **0** | **0** | **0** |
| ***Region 4*** | | | | | | | | | | | | | | |
| Austin Peay State University | | | | X | X | | | | | X | | | | |
| Clemson University | | X | | X | X | | | | X | | | | | |
| Georgia Southern University | | X | X | X | X | X | X | | | X | | | | |
| University of Alabama | | X | X | | X | | | | | X | | | | |
| University of Florida | | | | X | X | | X | X | X | X | | | | |
| University of North Carolina-Charlotte | | X | X | X | X | | | | | X | | | | |
| University of North Carolina-Greensboro | | X | X | X | X | X | X | | | X | | | | |

| **Institution** | **Academic Term** | **Entrance Counseling** | **Exit Counseling** | **Multiple Disbursement** | **30 Day Delay** | **Loan Fees** | **Loan Proration** | **Prior Term Charges** | **Institutional Charges** | **Overaward Tolerance** | **Ability to Benefit** | **Work Study Payment** | **Work Study Records** | **FSEOG** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| University of North Carolina-Wilmington | | X | X | X | X | X | X | | | X | | | | |
| University of Tennessee-Knoxville | | X | X | X | X | X | X | | | X | | | | |
| **Total=9** | **0** | **7** | **6** | **8** | **9** | **4** | **5** | **1** | **2** | **8** | **0** | **0** | **0** | **0** |
| ***Region 5*** | | | | | | | | | | | | | | |
| Ball State University | | | | X | X | X | | | | | | | | |
| Bethel College | | | | | X | | | | | | | | | |
| Butler University | | X | X | X | X | X | X | | X | | | | | |
| Cuyahoga Community College | | | | X | | X | X | | | X | | | | |
| Holy Cross College | | X | X | X | X | X | X | | X | | | | | |
| Hope College | | X | | X | X | X | X | | X | | | | | |
| Indiana University-Kokomo | | X | X | X | X | X | X | | X | | | | | |
| Indiana University-Northwest | | X | X | X | X | X | X | | X | | | | | |
| Indiana University-Purdue University at Indianapolis | | X | X | X | X | X | X | | X | | | | | |
| Indiana University-Richmond | | X | X | X | X | X | X | | X | | | | | |
| Indiana University-South Bend | | X | X | X | X | X | X | | X | | | | | |
| Indiana University-Bloomington | | X | X | X | X | X | X | X | X | | | | | |
| Indiana University-Southeast | | X | X | X | X | X | X | | X | | | | | |
| Kent State University | | X | X | X | X | X | X | X | X | X | | | | |
| Lutheran College of Health Professions | | X | X | X | X | X | X | | X | | | | | |
| Marian College | | X | X | X | X | X | X | | X | | | | | |
| Michigan State University | | X | X | X | X | X | X | X | X | X | | | | |
| Moorhead State University | | | | X | X | | X | | | X | | | | |
| Ohio University | | X | X | X | X | X | | X | X | X | | | | |
| Parks College of St. Louis University | | X | X | X | X | X | X | | | | | | | |
| Purdue University | | X | X | X | X | X | X | | | X | | | | |
| Rose-Hulman Institute of Technology | | X | X | X | X | X | X | | X | | | | | |
| Southern Illinois University at Carbondale | | X | X | X | X | X | X | X | X | X | | | | |

| INSTITUTION | ACADEMIC TERM | ENTRANCE COUNSELING | EXIT COUNSELING | MULTIPLE DISBURSEMENT | 30 DAY DELAY | LOAN FEES | LOAN PRORATION | PRIOR TERM CHARGES | INSTITUTIONAL CHARGES | OVERAWARD TOLERANCE | ABILITY TO BENEFIT | WORK STUDY PAYMENT | WORK STUDY RECORDS | FSEOG |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Southern Illinois University at Edwardsville | | | | X | X | | X | X | X | X | | | | |
| University of Evansville | | X | X | X | X | X | X | | X | | | | | |
| University of Illinois at Chicago | | | X | X | X | X | X | X | X | | | | | |
| University of Illinois at Urbana-Champaign | | X | X | X | X | X | X | X | X | X | | | | |
| University of Indianapolis | | X | X | X | X | X | X | | X | | | | | |
| University of Michigan-Ann Arbor | | X | X | X | X | X | X | X | X | | | | | |
| University of Minnesota-Duluth | | | | X | X | | | | X | | | | | |
| University of Minnesota Twin Cities | | X | X | X | X | X | X | | | X | | | | |
| University of Notre Dame | | X | X | X | X | | X | | | X | | | | |
| University of Rio Grande | | X | X | X | X | X | X | | | X | | | | |
| University of Wisconsin-Eue Claire | | | | X | | | X | | | | | | | |
| University of Wisconsin-Green Bay | | | | X | | | X | | | | | | | |
| University of Wisconsin-LaCrosse | | | | X | | | | | | | | | | |
| University of Wisconsin-Madison | | | | X | | | X | | | | | | | |
| University of Wisconsin-Milwaukee | | | | X | | | X | | | | | | | |
| University of Wisconsin-Oshkosh | | | | X | | | X | | | | | | | |
| University of Wisconsin-Parkside | | | | X | | | X | | | | | | | |
| University of Wisconsin-Platteville | | | | X | | | X | | | | | | | |
| University of Wisconsin-River Falls | | | | X | | | | | | | | | | |
| University of Wisconsin-Stout | | | | X | | | X | | | | | | | |
| University of Wisconsin-Superior | | | | X | | | X | | | | | | | |
| University of Wisconsin-Whitewater | | | | X | | | | | | | | | | |
| University of Wisconsin Centers | | | | X | | | | | | | | | | |
| Valparaiso University | | | | X | X | | X | | | | | | | |

| **Institution** | **Academic Term** | **Entrance Counseling** | **Exit Counseling** | **Multiple Disbursement** | **30 Day Delay** | **Loan Fees** | **Loan Proration** | **Prior Term Charges** | **Institutional Charges** | **Overaward Tolerance** | **Ability to Benefit** | **Work Study Payment** | **Work Study Records** | **FSEOG** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Western Illinois University | | | | X | | | | | | | | | | |
| **Total=47** | **0** | **26** | **26** | **47** | **33** | **28** | **39** | **9** | **24** | **12** | **0** | **0** | **0** | **0** |
| ***Region 6*** | | | | | | | | | | | | | | |
| Oklahoma State University | | | | X | X | X | X | | | X | | | | |
| Southeastern Louisiana University | | | | | | X | | | | | | | | |
| Southern Methodist University | | | | | | | | | | | | | X | |
| Texas A&M University | | | | X | X | | X | | | X | | | | |
| University of Oklahoma | | | | X | X | | X | | | X | | | | |
| University of Texas-Austin | | | | X | X | | X | | | X | | | | |
| University of Texas at Arlington | | | | X | X | | X | | | X | | | | |
| University of Texas at Dallas | | X | X | X | X | X | X | | | X | | | | |
| **Total=8** | **0** | **1** | **1** | **6** | **6** | **3** | **6** | **0** | **0** | **6** | **0** | **0** | **1** | **0** |
| ***Region 7*** | | | | | | | | | | | | | | |
| Creighton University | | X | X | X | X | | X | | | X | | | | |
| Iowa State University of Science & Technology | | X | X | X | X | | X | X | X | X | | | | |
| Kansas State University | | X | | X | X | X | X | | | X | | | | |
| Southwest Missouri State University | | X | X | X | X | X | X | X | X | X | | | | |
| St. Louis University | | X | X | X | X | X | X | | | | | | | |
| University of Kansas | | X | X | X | X | X | X | | | X | | | | |
| University of Missouri-Columbia | | X | X | X | X | | X | X | X | | | | | |
| University of Missouri-Kansas City | | X | | X | X | X | X | | X | | | | | |
| University of Nebraska | | X | X | X | X | | | | X | X | | | | |
| **Total=9** | **0** | **9** | **7** | **9** | **9** | **5** | **8** | **3** | **5** | **6** | **0** | **0** | **0** | **0** |
| ***Region 8*** | | | | | | | | | | | | | | |
| Colorado State University | | X | X | X | X | X | X | X | X | X | | | | |
| Metropolitan State College of Denver | | | | X | X | X | | | | | | | | |
| Montana State University-Billings | | X | X | X | X | X | X | | | X | | | | |

| Institution | Academic Term | Entrance Counseling | Exit Counseling | Multiple Disbursement | 30 Day Delay | Loan Fees | Loan Proration | Prior Term Charges | Institutional Charges | Overaward Tolerance | Ability to Benefit | Work Study Payment | Work Study Records | FSEOG |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Montana State University-Bozeman | | X | X | X | X | X | X | X | X | X | | | | |
| Montana State University-Northern | | | X | X | X | X | X | X | X | X | | | | |
| University of Colorado at Boulder | | X | X | X | X | X | X | X | X | X | | | | |
| University of Utah | | X | X | X | X | X | X | | | X | | | | |
| **Total=7** | **0** | **5** | **6** | **7** | **7** | **7** | **6** | **4** | **4** | **6** | **0** | **0** | **0** | **0** |
| ***Region 9*** | | | | | | | | | | | | | | |
| Allan Hancock College | | | | | | | | | | | X | | | |
| Arizona State University | | X | X | X | X | X | X | | | X | | | | |
| Cerritos Community College | | | | | | | | | | | X | | | |
| Coastline Community College | | | | | | | | | | | X | | | |
| College of Marin | | | | | | | | | | | X | | | |
| Columbia College | | | | | | | | | | | X | | | |
| Glendale Community College | | | | | | | | | | | X | | | |
| Imperial Valley College | | | | | | | | | | | X | | | |
| Irvine Valley College | | | | | | | | | | | X | | | |
| Laney College | | | | | | | | | | | X | | | |
| Long Beach City College | | | | | | | | | | | X | | | |
| Los Angeles Harbor College | | | | | | | | | | | X | | | |
| Los Angeles Mission College | | | | | | | | | | | X | | | |
| Los Angeles Pierce College | | | | | | | | | | | X | | | |
| Los Medanos College | | | | | | | | | | | X | | | |
| Medesto Junior College | | | | | | | | | | | X | | | |
| Northern Arizona University | | X | X | X | X | X | X | | | X | | | | |
| Oxnard College | | | | | | | | | | | X | | | |
| Pasadena City College | | | | | X | | X | | | X | | | | |
| San Diego City College | | | | | | | | | | | X | | | |
| San Diego Mesa College | | | | | | | | | | | X | | | |
| San Diego State University | | X | | X | X | | X | | | X | | | | X |

| **INSTITUTION** | **ACADEMIC TERM** | **ENTRANCE COUNSELING** | **EXIT COUNSELING** | **MULTIPLE DISBURSEMENT** | **30 DAY DELAY** | **LOAN FEES** | **LOAN PRORATION** | **PRIOR TERM CHARGES** | **INSTITUTIONAL CHARGES** | **OVERAWARD TOLERANCE** | **ABILITY TO BENEFIT** | **WORK STUDY PAYMENT** | **WORK STUDY RECORDS** | **FSEOG** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| San Francisco State University | | X | X | | | | | | | | | | | |
| Skyline College | | | | | | | | | | | X | | | |
| Stanford University | | | | | X | | | | | | | | | |
| University of Arizona | | | | X | X | X | X | X | X | X | | | | |
| University of California-Berkeley | | | | X | X | | | | | X | | | | |
| University of California-Santa Cruz | | X | X | X | X | X | X | | | X | | | | |
| University of California-Irvine | | X | X | X | X | X | X | X | X | X | | | | |
| University of California-Los Angeles | | X | X | X | X | X | X | | | X | | | | |
| University of California-Riverside | | X | X | X | X | X | X | | | X | | | | |
| University of Nevada-Los Vegas | | | | X | X | | | | | | | | | |
| University of Southern California | | | | X | X | X | X | | | | | | | |
| University of the Pacific | | X | X | | X | | X | | | X | | | | |
| Ventura College | | | | | | | | | | | X | | | |
| Vista Community College | | | | | | | | | | | X | | | |
| West Hills Community College | | | | | | | | | | | X | | | |
| Yuba College | | | | | | | | | | | X | | | |
| **TOTAL=38** | **0** | **9** | **8** | **11** | **14** | **8** | **11** | **2** | **2** | **11** | **23** | **0** | **0** | **1** |
| ***Region 10*** | | | | | | | | | | | | | | |
| Boise State University | | | | X | X | X | X | | | | | | | |
| Clark Community College | | | | | | X | X | | | X | | | | |
| Idaho State University | | | | X | X | | X | | | X | | | | |
| Portland State University | | X | | X | X | | X | | | | | | | |
| Southern Oregon University | | X | | X | X | | | | | | | | | |
| University of Idaho | | X | X | X | X | X | X | | | X | | | | |
| University of Oregon | | | | X | X | | X | X | X | X | | | | |
| University of Washington | | X | X | X | X | X | X | | X | | | | | |
| Washington State University | | X | X | X | X | X | X | | | X | | | | |
| Western Washington University | | X | | X | X | | X | | | | | | | |
| **Total=10** | **0** | **6** | **3** | **9** | **9** | **5** | **9** | **1** | **2** | **5** | **0** | **0** | **0** | **0** |

# APPENDIX C

## APPENDIX C

## DATA ELEMENTS FOR EACH EXPERIMENT[4]

**Multiple Disbursement for Single Term Loans**

***BASE YEAR GROUP DATA (1995-96)***

No. students with single-term loans
No. withdrawing before midpoint of term
No. completing semester
No. short-term loans issued to students
Avg. short-term loan amount
No. fee deferrals issued to students
Base year (if other than 1995-96)

**Experimental Year Group Data (1997-98)**

No. students with single-term loans
Total loan funds for this group of students
No. withdrawing before midpoint of term
No. completing semester
No. short-term loans issued to students
Avg. short-term loan amount
No. fee deferrals issued to students
Estimated change in administrative hours
Estimated change in administrative costs

**Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease**

Change in the % of borrowers withdrawing before midterm
Change in the % of borrowers completing the term
Change in the no. of short term loans issued as a % of total of borrowers
Change in average short term loan amount
Change in the no. of fee deferrals issued as a % of total borrowers
Change in administrative work hours per borrower
Change in administrative costs per borrower

**THIRTY-DAY DELAY OF DISBURSEMENT FOR FIRST-TIME, FIRST-YEAR BORROWERS**

**Base Year Group Data (1995-96)**

No. of first-time, first-year borrowers
No. withdrawing within 30 days
No. completing semester
No. short-term loans issued to students
Avg. short-term loan amount
No. fee deferrals issued to students
Base year (if other than 1995-96)

[4] Note, data on summer terms were excluded from analysis.

**Experimental Year Group Data (1997-98)**

No. of first-time, first-year borrowers
Total loan funds for this group of students
No. withdrawing within 30 days
No. completing semester
No. short-term loans issued to students
Avg. short-term loan amount
No. fee deferrals issued to students
Estimated change in administrative hours
Estimated change in administrative costs
Has school exempted certain groups (1=yes)

**Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease**

Change in the % of borrowers withdrawing before 30 days
Change in the % of borrowers completing the term
Change in the no. of short term loans issued as a % of total of borrowers
Change in average short term loan amount
Change in the no. of fee deferrals issued as a % of total borrowers
Change in administrative work hours per borrower
Change in administrative costs per borrower

## ENTRANCE LOAN COUNSELING

**Base Year Group Data (1995-96)**

No. of first-time, first-year borrowers
No. attending in-person counseling sessions
Surveys on stud. knowledge of repayment obligations (1=y)?
Base year (if other than 1995-96)

**Experimental Year Group Data (1997-98)**

No. of first-time, first-year borrowers
Total loan funds for this group of students
No. attending in-person counseling sessions
Surveys on stud. knowledge of repayment obligations (1=y)?
Estimated change in administrative hours
Estimated change in administrative costs
Has school exempted certain groups (1=yes)?

**Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease**

Change in administrative work hours per borrower
Change in administrative costs per borrower

## EXIT LOAN COUNSELING

**Base Year Group Data (1995-96)**

No. of final term borrowers
No. attending in-person counseling sessions
Surveys on stud. knowledge of repayment obligations (1=y)?

Base year (if other than 1995-96)

**Experimental Year Group Data (1997-98)**

No. of final term borrowers
Total loan funds for this group of students
No. attending in-person counseling sessions
Surveys on stud. knowledge of repayment obligations (1=y)?
Estimated change in administrative hours
Estimated change in administrative costs
Has school exempted certain groups (1=yes)

**Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease**

Change in administrative work hours per borrower
Change in administrative costs per borrower

**OVERAWARD TOLERANCE**

**Base Year Group Data (1995-96)**

Total no. of students receiving Title IV loan funds
Total no. w/ loan funds with overawards of $300 or less
Institution's standard budget for in-state, non-commuting, undergrad
Base year (if other than 1995-96)

**Experimental Year Group Data (1997-98)**

Total no. of students receiving Title IV loan funds
Total no. w/ loan funds with overawards of $300 or less
No. of overawards $100 or less
No. of overawards $100.01 - $200
No. of overawards $200.01 - $300
Avg amt of overaward for those w/overawards of $300 or less
Avg Title IV loan amount for students w/overawards of $300 or less
Institution's standard budget for in-state, non-commuting, undergrad
Estimated change in administrative hours
Estimated change in administrative costs

***Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease***

Change in % of borrowers who receive overawards
Change in administrative work hours per borrower
Change in administrative costs per borrower

**LOAN FEES IN COST OF ATTENDANCE**

**Base Year Group Data (1995-96)**

Total no. of students receiving Title IV loan funds
Total for whom loan fees are included in loans as part of cost of attendance
Total amount of loan fees included in loans
Base year (if other than 1995-96)

**Experimental Year Group Data (1997-98)**

Total no. of students receiving Title IV loan funds
Total loan funds for this group of students
Total no. for whom loan fees are included in loans as part of cost of attendance
Total amount of loan fees included in loans
Estimated change in administrative hours
Estimated change in administrative costs

**Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease**

Change in total amount of loan fees included in loans
Change in administrative work hours per borrower
Change in administrative costs per borrower

### LOAN PRORATION FOR GRADUATING BORROWERS

***Base Year Group Data (1995-96)***

No. of students w/Title IV loan funds graduating at end of term
Total Title IV loan funds disbursed to students with prorated loans
No. of these students whose loans were prorated
No. of these students who withdrew before end of term
No. of these students who completed term (not necessarily graduated)
Base year (if other than 1995-96)

**Experimental Year Group Data (1997-98)**

No. of students w/Title IV loan funds graduating at end of term
Total Title IV loan funds disbursed to students who would have had prorated loans before experiment
No. of these students whose loans were not prorated
Total Title IV loan funds disbursed to students with prorated loans
No. of students still having prorated loans
No. of non-prorated students who withdrew before end of term
No. of non-prorated students who completed term (not necessarily graduated)
Estimated change in administrative hours
Estimated change in administrative costs
Difference between nonprorated loan total and total if these loans had been prorated

**Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease**

Change in % of students withdrawing before the end of term
Change in % of students completing term
Change in loan amount per borrower
Change in administrative work hours per borrower
Change in administrative costs per borrower

### CREDITING TITLE IV AID TO INSTITUTIONAL CHARGES

**Base Year Group Data (1995-96)**

Total no. of students receiving Title IV loan funds
No. declining automatic credit of aid to institution charges
No. for whom Title IV aid was credited to inst. charges

Base year (if other than 1995-96)

**Experimental Year Group Data (1997-98)**

Total no. of students receiving Title IV loan funds
Total amount of aid credited to institutional charges
No. declining automatic credit of aid to inst. charges
No. for whom Title IV aid was credited to inst. charges
Estimated change in administrative hours
Estimated change in administrative costs
Does school do an annual management self-assessment (1=yes)?

**Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease**

Percentage of borrowers declining automatic credit
Change in administrative work hours per borrower
Change in administrative costs per borrower

### CREDITING TITLE IV AID TO PRIOR TERM CHARGES

**Base Year Group Data (1995-96)**

Total no. of students receiving Title IV loan funds
No. declining automatic credit of aid to prior term charges
No. for whom Title IV aid was credited to prior term charges
Base year (if other than 1995-96)

**Experimental Year Group Data (1997-98)**

Total no. of students receiving Title IV loan funds
Total amount of aid credited to prior term charges
No. declining automatic credit of aid to prior term charges
No. for whom Title IV aid was credited to prior term charges
Estimated change in administrative hours
Estimated change in administrative costs
Does school do an annual management self-assessment (1=yes)?

**Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease**

Percentage of borrowers declining automatic credit
Change in administrative work hours per borrower
Change in administrative costs per borrower

### ACADEMIC TERM EXPERIMENT

**Experimental Year Group Data (1997-98)**

Avg. age of students at institution
No. of students in experimental program
No. of re-entry students in experimental program
No. of retired students in experimental program
No. of students in experimental program receiving Pell grants
Total Title IV student loan funds disbursed to borrowers in experimental program

Federal Work Study Time Records Experiment

**Base Year Group Data (1995-96)**

No. of students at institution
No. of students in Work Study Program
Base year (if other than 1995-96)

**Experimental Year Group Data (1997-98)**

No. of students at institution
No. of students in Work Study Program
Estimated change in administrative hours
Estimated change in administrative costs

**Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease**

Change in administrative work hours per work study student
Change in administrative costs per work study student

Federal Work Study Payment to Students Experiment

**Base Year Group Data (1995-96)**

No. of students at institution
No. of students in Work Study Program
Base year (if other than 1995-96)

**Experimental Year Group Data (1997-98)**

No. of students at institution
No. of students in Work Study Program
Estimated change in administrative hours
Estimated change in administrative costs
No. of students choosing automatic payroll deduction

**Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease**

Change in administrative work hours per work study student
Change in administrative costs per work study student

Federal Supplemental Educational Opportunity Grant Experiment

**Base Year Group Data (1995-96)**

No. of students receiving FSEOG grants
No. of students receiving Pell grants
No. of students receiving both FSEOG and Pell grants
Avg EFC for students w/ FSEOG grants
Base year (if other than 1995-96)

**Experimental Year Group Data (1997-98)**
No experiments were implemented during the 1997-98 academic year.

No. of students receiving FSEOG grants
No. of students receiving Pell grants
No. of students receiving both FSEOG and Pell grants
Avg EFC for students w/ FSEOG grants
Estimated change in administrative hours
Estimated change in administrative costs

**Qualitative Data Items Where 1=increase,2=no sig. change, 3=decrease**

Change in avg EFC for those receiving FSEOG grants
Change in administrative work hours per borrower
Change in administrative costs per borrower

Ability to Benefit Experiment

***Experimental Year Group Data (1997-98)***

No. of financial aid recipients with HS diploma or equivalent (henceforth called Group A)
No. of financial aid recipients without HS diploma who passed ATB test (Group B)
No. of financial aid recipients without HS diploma who failed ATB test but met alternate criteria (Group C)
Average semester GPA for students in Group A
Average semester GPA for students in Group B
Average semester GPA for students in Group C
Average number of units completed per semester for Group A
Average number of units completed per semester for Group B
Average number of units completed per semester for Group C
Course completion: units attempted/initial enrollment, for Group A
Course completion: units attempted/initial enrollment, for Group B
Course completion: units attempted/initial enrollment, for Group C